Daily Report

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U.S. Reported Not Taking Disarmament Seriously

LD0508084789 Prague CTK in English
0810 GMT 5 Aug 89

[Text] Bratislava Aug 5 (CTK)—The Slovak daily PRAVDA today pointed out that the United States has never taken disarmament seriously.

"The decision of the U.S. Senate to use the nuclear warheads of Pershing 2 missiles for the modernization of Lance missiles is only a new evidence that the United States has never taken the question of disarmament very seriously, though there are all prerequisites for the signing of a mutually advantageous agreement ensuring peace and security for the whole world", the daily said.

It pointed out that the ever repeated U.S. "argument" that nuclear deterrence is necessary to prevent military conflict is absurd and loses all logic in view of all the initiatives of the socialist states.

It may be logical only in the reasoning of the military industrial complexes of the USA and other Western countries which do not want to lose profitable orders of the Pentagon and that is why they do not want to abandon the doctrine of a limited nuclear war in Europe. This fact is proved by obstructions at talks on strategic missiles and the attempts to modernize tactical nuclear weapons, the daily concluded.

Dubcek, Cernik on Reform, 1968 Prague Spring

LD0508224589 Budapest Domestic Service
in Hungarian 2000 GMT 5 Aug 89

[Excerpt] In Czechsolovakia, the party first secretary in 1968 and the head of government at the time have, in a letter, asked the leaders of the socialist countries that took part in the intervention to condemn the suppressing of the Prague Spring. According to Alexander Dubcek and Oldrich Cernik, there cannot be reform worthy of credibility in the East European countries if the intervention by the Warsaw Pact and the ideological basis of that intervention, the Brezhnev doctrine, are not condemned. After 20 years, former head of government Cernik has spoken publicly for the first time. He enveloped himself in silence for many years. However, recently he too signed the founding document of the renaissance of the Eurocommunist wing of the Czechoslovak opposition. [passage omitted]

AFP Reports Reformers' Messages

AU0508125289 Paris AFP in English
0029 GMT 8 Aug 89

[Text] Rome, Aug 5 (AFP)—Credible reforms in Eastern Europe cannot be carried out without a condemnation of the 1968 military intervention by Warsaw Pact nations that effectively ended the Prague Spring, two former Czechoslovak reformers said in letters to leaders of the five nations involved in the crackdown.

It is time for a "courageous historical revision of those events," and a condemnation of the Brezhnev doctrine on the restricted sovereignty of communist-dominated nations, former Communist Party leader Alexander Dubcek and then Prime Minister Oldrich Cernik said in the messages, the Italy's Communist Party daily L'UNITA reported Friday.

Mr Dubcek and Mr Cernik, who initiated reforms that were to give socialism in their country a human face, sent the letters to government and party leaders in the Soviet Union, East Germany, Poland, Hungary, Bulgaria, and Czechoslovakia, the paper said.

Romania is a Warsaw Pact member but did not send in troops to halt Mr Dubcek's reforms on August 21, 1968.

If the wounds inflicted upon Czechoslovakia were not healed and the Warsaw Pact intervention was not condemned, credible reforms in Eastern Europe were not possible, the two former leaders said.

They argued that today's leaders were not responsible for the deeds of their predecessors but a gesture should be made to appease the general public worldwide lest there remain any doubt that such crackdown will never again occur.

Time had proven that their path to a democractic form of socialism was right as it was being followed by the Soviet Union, Poland, and Hungary, the two ousted leaders added.

L'UNITA said it was the first time Mr Cernik had joined forces with the former party leader in a joint opposition statement.

Mr Cernik was expelled from the Communist Party in 1970—along with Mr Dubcek—and replaced by Lubomir Strougal who was sacked last year.

He is a member of the socialist renaissance movement Obroda which has been seeking to revive the Prague Spring platform.

Pointing to the fate of Czechoslovak playwright and human rights militant Vaclav Havel, L'Unita said "the Czechoslovak regime does not seem to be ready to heed calls for democratization".

Mr Havel was released late Wednesday after being detained twice in 24 hours and questioned by police for 11 hours.

He was arrested as he was about to leave home for a lunch appointment with the West German ambassador.

The playwright was recently awarded a "peace prize" by West German publishers which he is to receive later this year at the Frankfurt book fair.

Papers Carry Article Attacking 'Chartists' Aims

LD0508101489 Prague Domestic Service
in Czech 0730 GMT 5 Aug 89

[Text] RUDE PRAVO and PRAVDA today publish an article by (Marie Boudova) and Jaroslav Kojzar entitled

"Invitations Have Already Been Distributed" on the decision of some leading Chartists to choose a course of confrontation in August this year. As the authors of the article note, some of the leading Chartists began with an appeal "Several Sentences."

What follows is a sharp reminder of a demonstration which once ended with stones being thrown, street fights, dozens of wounded people, dead people. The action, taken 20 years ago, was supposed to have been a beginning of an uprising intended to end forever everything of a socialistic character.

In another part of the article, the authors recall the events of 20 years ago when right-wing forces were carefully preparing themselves for the 1st anniversary of the internationalist help. [as heard] They show by specific examples how plans for individual actions counted on the so-called fire of natiowide resistence. They stress that the state and party leadership was then aware of the complicated situation, and they quote a warning by President Ludvik Svoboda 2 days before 21 August, in which he exposed intentions of enemies of socialism at home and abroad, who were interested in rendering impossible the positive solution to open questions of our relations, both at home and abroad.

Despite a unified stand taken by the state and party leadership, and despite advice and warnings the Right chose a game of chance, and the night before 21 August attempted to take control of Prague's Wenceslas Square. The authors of the article then go on to characterize with specific data the consequences of this attempt, and cite words of a communique from a session of the then Czechoslovak Communist Party [CPCZ] Central Committee Presidium that not chaos and destruction, but only active and committed work, peace and order could bring to this country consolidation and a happy life for all its citizens.

The article goes on to describe what is planned for this year. Some leading Chartists took lessons from 1969, and question themselves what to do to make the action a success, to fulfil their intentions. They make use of so-called Western independent press, as in the case of "Several Sentences," as well as of some representatives of the Polish Solidarity, whose participation is also counted on in the action in Prague. They also consider how to start removing economic and other top officials, how to ensure that the Party and National Front organizations lose influence on the selection of cadres, and how to push through by all means their own candidates to vacated positions—as was earlier proposed by right-wing forces in "Two Thousand Words" [1968 program statement formulated by Vaculik]. The so-called Independent Peace Association also contributed to these efforts by sending Mikhail Gorbachev a form of ultimatum requesting him to dissociate himself from the internationalist help [as heard], and in this way allegedly cast doubts over the legitimity of the present organs of power—that means not only of the CPCZ leadership, but also of the state.

For the time being, some leading Chartists stress that they do not aim at confrontation, that they do not wish it; provided that the Communists and other forces will voluntarily give up power. If, nevertheless, they will not surrender, then a crisis will occur and blood will flow, as is written in "Several Sentences."

As (Marie Boudova) and Jaroslav Kojzar stress at the end of their article, the Chartists have forgotten in which country they live. Their wishes are not identical with the wishes of a majority of citizens who want to live in a prosperous state and work for their country's benefit. This was reconfirmed by the reaction to a CPCZ Central Committee statement on the 41st anniversary of the victorious February, which has become a constructive platform to unify all honest workers. An unequivocal voice is heard in reaction to the statement: Do not allow those who are spreading unrest to carry out their plans. Workers at the same time demand fulfillment of the tasks of restructuring on which our certitude in a socialistic future is based.

Daily on Disunity

LD0508134889 Prague CTK in English 1028 GMT 5 Aug 89

[Text] Prague Aug 5 (CTK)—Various statements and documents of "Charter 77" are to give a semblance of unity of views between "charter" members and supporters of other illegal groups, the daily Z EMEDELSKE NOVINY said today.

Some one hundred most agile members of illegal groups demand as a matter of course that whatever is written in their statements must be regarded as indisputable by others. "Though they demand discussion and dialogue from society, they do not tolerate it in their midst", the farmers daily said.

Despite this there are individuals who voice their midst," the farmers daily said.

Despite this there are individuals who voice their reservations over some stands of the top sections of "charter" followers. The differences of views concern mainly the action to be taken in the struggle against the socialist system, especially as regards the speed and intensity of this struggle. This was clearly documented for instance by the emergence of one of the illegal groups which adopted the name "Democratic Initiative".

Extensive polemics take place among the "charter" members over their own orientation. Faced with the pressure of a more radical part of "charter" followers, those who are aware that the situation in Czechoslovakia is not suitable for an open action in the form of anti-socialist opposition warn in their 1987 "word to fellow- citizens" that "charter" never claimed to "be the only spokesman in the struggle for human rights and freedoms".

Vaclav Havel even attempts to play the role of an arbiter in the solution of disputes between "charter" members, ZEMEDELSKE NOVINY said.

"A number of 'charter' followers are dissatisfied that only three spokesmen speak on their behalf. When all "charter" members have been speaking about democracy for many years, then it should apply to them as well... This is the essence of disunity among the "charter" supporters although they outwardly appear to be united. Just as an elite dominates within 'charter', it would like to use 'charter' itself for 'democracy' in which an elite would again dominate society as a whole", ZEMEDELSKE NOVINY concluded. [quotation marks as received]

Commentary on Pamphlet

LD0508161789 Bratislava Domestic Service in Slovak 1030 GMT 5 Aug 89

[Editor (Ladislav Sakal) commentary]

[Excerpts] [Passage omitted] While an overwhelming majority of us work bravely, there are individuals who think about ways to disrupt these efforts—now when we need peace and when our society expects from each of us honest and assiduous creative work and acts corresponding to the needs of development, there are voices heard which would like to turn back the wheel of history.

Nowadays, when we are fighting for the success of restructuring, forces are being brought to life which throw a wrench in the works. They want to exploit the situation for destabilizing social conditions, organizing various pressure actions, spreading threats, and intimidation. But the responsibility for further development of socialist society forces us to make a strict difference between voices and acts of those who help the process of restructuring and democratization and those who use these terms only to hide their own plans and ambitions, which are hostile to our society and are formulated in "A Few Sentences."

This is not the first, and certainly will not be the last text to be circulated by chartists and other individuals who are orientated against socialism.

Reactions by hundreds of thousands of citizens and work collectives against the authors of the pamphlet often stress the questions: what specifically have the signatories done since the beginning of restructuring for its implementation and who gave them the right to sow discord in our society? These questions are rather justifiable. A vision of the success of restructuring and strengthening of the position of socialism horrifies some individuals— which is why they attack the Czechoslovak Communist Party. [passage omitted]

Citizens Protest Foreign Radios' Use of Names

LD0408125989 Prague CTK in English 0909 GMT 4 Aug 89

[Text] Prague Aug 4 (CTK)—The Czechoslovak public has had an opportunity these days to learn again of the dishonest methods and practices used by the anti-socialist forces to destabilize the society and disrupt the state system.

In cooperation with foreign radio stations Free Europe and the Voice of America, these forces have organized a campaign in Czechoslovakia in connection with the petition "Several Sentences" whose alleged aim is the creation of conditions for a free and democratic discussion about the need of social changes. In an effort to create an illusion that the petition has certain support in the society they collect signatures of Czechoslovak citizens. But it has been proved that they resort to means which not only have nothing in common with freedom and democracy but are at total variance with the civil and human rights of individuals.

The Czechoslovak press has obtained these days letters from six Czechoslovak citizens protesting againt being described by the foreign radio stations as signatories of the petition, e.g. from an editor of Czechoslovak radio or from popular TV announcer Zdena Varechova who, according to the Voice of America, not only signed the petition but accompanied her signature with a letter expressing disagreement with the policy of the Czechoslovak Government.

Zdena Varechova stressed categorically that the whole action was fabricated and false and editor of Czechoslovak radio Jaroslav Riedl described it as manipulation of his name, stressing that such practices are "at variance with the right to the protection of the individual...It is a strange interpretation of the freedom of the press—to intentionally publish an evident lie", he underlined.

As already many times before it has been demonstrated also now that some foreign radio stations and those forces in Czechoslovakia supporting their aims resort to slanders, lies and manipulations of facts according to the hackneyed principle "the end justifies the means".

On the one hand these people call for the respect for human rights but on the other they themselves violate them. According to Article 12 of the universal declaration of human rights of 1948 "...no one shall be subjected to attacks upon his honour and reputation." This right is stressed in Article 17 of the international covenant on civil and political rights as well.

Further Denials of Signing

AU0408085189

[Editorial Report] Prague RUDE PRAVO in Czech on 3 August on page 1, under the headline "I Have Nothing in Common With It," carries a 150-word statement by mathematician Lidmila Ekertova and a 150-word statement by Czechoslovak Radio reporter Jaroslav Riedl, in which they deny Western reports of having signed the "A Few Sentences" appeal, and protest the "misuse" of their names.

Lenart Arrives in Romania, Talks With Stoian

LD0608181189 Prague CTK in English 1518 GMT 6 Apr 89

[Text] Constance Aug 6 (CTK correspondent)—Czechoslovak Communist Party Presidium member and Central Committee Secretary Jozef Len rt arrived here today for a short working visit taking place at the invitation of the Romanian Communist Party Central Committee.

Later in the day, Jozef Lenart met for talks with Romanian Party political executive committee alternate member and Central Committee Secretary Ion Stoian at the Black Sea summer resort of Neptun.

They discussed relations between the two parties and the two countries' social organizations and state bodies, as well as some problems of Czechoslovak-Romanian cooperation in the economic sphere and tourism.

Jozef Lenart and Ion Stoian exchanged views on the most topical problems of the International Life and the International Communist and Workers' Movement. They informed each other of the implementation of the tasks which were set forth at the recent session of the Warsaw Treaty Political Consultative Committee in Bucharest.

During his visit to Romania, Jozef Lenart will inspect some industrial and agricultural plants. At the close, he will be received by the highest Romanian Party and state representative Nicolae Ceausescu.

Polish Solidarity Trying To Discredit Rakowski

LD0408083889 Prague International Service in English 1900 GMT 3 Aug 89

[Milan Suchanek commentary]

[Excerpt] Poland has a new prime minister—Czeslaw Kiszczak—but its problems are not new. To tackle them, Poland must achieve a measure of internal consolidation, as we'll hear from Radio Prague's Milan Suchanek who wrote the following commentary.

Most of the problems Poland is striving to overcome are rooted in the past when social questions were obviously underestimated, contrary to the essential interest of socialism. The social sphere was considered a peripheral issue and this naturally could not have passed without a negative feedback on society as a whole.

Poland's new premier, Czeslaw Kiszczak, has stressed that the key to the future of Poland lies in the solution of the country's great economic problems.

This effort requires a constructive role of the opposition and its active sharing and thus also co-responsibility for the further developments in Poland. Thus far though, opposition leaders, especially those from the Solidarity movement, have been refusing to cooperate. What's more, several weeks before the current crucial session of the Polish parliament, some opposition activists launched a crusade against the outgoing cabinet, the Council of Ministers.

After the election of the former Premier Miecyslaw Rakowski to fill the post of the first secretary of the Polish United Workers Party, Solidarity has stepped up attacks against him in a bid to discredit the whole party and to gain the bridgehead for assaulting the new government of Premier Kiszczak. Their aim is obvious: They want gradually to force the Polish United Workers Party out of political life and to create conditions for a change of the country's political system.

Hence the change of tactic on the part of Solidarity, which although no longer organizing distractive strikes, is making up for the lack of constructive opposition program by attacking the government. [passage omitted]

Vienna, Budapest, Bratislava Mayors Hold Talks

LD0308211489 Prague Domestic Service in Czech 1930 GMT 2 Aug 89

[Text] Bratislava Mayor Stefan Bartak received today in the state hall of the Palfi Palace in Bratislava Budapest Mayor Jozsef Bielek, and Vienna Mayor Helmut Zilk.

They discussed specific opportunities for Bratislava to participate in the EXPO-95 world exposition which will take place in Vienna and Budapest. They concentrated above all on transportation, accomodation, restaurant services, and cultural issues, as well as social activities and services.

According to Helmut Zilk, the joint action being prepared will be a specific expression of dismantling barriers in cooperation between with different social orders.

Leaders Send Greetings on Cuban National Day

LD0108121689 Prague Domestic Service in Czech 1630 GMT 25 Aug 89

[Text] The highest Czechoslovak representatives, Milos Jakes, Gustav Husak, and Ladislav Adamec have sent a congratulations telegram to Fidel Castro, the highest representative of the Republic of Cuba, on the National Day of Cuba: the 36th anniversary of the Day of National Uprising. They praised the Republic of Cuba's significant contribution toward strengthening unity in the socialist community, in the joint struggle for peace, international detente, against imperialism and neo-colonialism. They also stressed the continually developing relations of friendship and all-around cooperation between fraternal parties and peoples of our two socialist countries. They expressed determination to continue deepening these relations for the benefit of the peoples of Czechoslovakia and Cuba, in the interest of socialism, peace, and progress in the world.

Prague Theater Company Well Received in Chile

AU0408085989 Prague RUDE PRAVO in Czech 3 Aug 89 p 2

[Report in the "World of Culture" column]

[Text] Chilean critics declared the performance given by Prague's Black Theater in Santiago de Chile to be flawless. The theater company was the first Czechoslovak artistic group to perform there since the military coup in 1973. The Chilean press, including the biggest dailies EL MERCURIO and LA EPOCA, highlighted the work of Jiri Srnec, discussed the theater's artistic successes in the world, and informed its readers about the company's

present tour of Latin America. As a result of its huge success the company had to prolong its engagement in the Chilean capital by a week.

Hanus-Led Delegation Returns from Mozambique

AU0408083989 Prague RUDE PRAVO in Czech 3 Aug 89 p 2

[Text] Prague (z)—A delegation of the Czechoslovak Communist Party [CPCZ] Central Committee, led by Frantisek Hanus, CPCZ Central Committee secretary, on Wednesday [2 August] returned from Mozambique, where it attended the Fifth Congress of Frelimo [Mozambique Liberation Front] Party.

Official Interviewed on Water Barrage Project

LD0408225589 Prague Domestic Service in Czech 1630 GMT 4 Aug 89

[Text] Joint talks of the Czechoslovak-Hungarian operative group, whose task it is to monitor the building preparedness of the Gabcikovo-Nagymaros system of water barrages, ended today. What the Czechoslovak representatives have brought back with them from the Hungarian People's Republic is the subject of an interview given by Ivan Vesely, the managing director of the investment organization Vodohospodarska Vystavba to Miroslav Polacek, an editor:

[Begin recording in Slovak] [Polacek] Comrade managing director, I believe that the filling in of the (?Szigeti) branch of the Danube, which was to have been started already on 1 August, was the most burning problem the commission discussed, so what was the outcome?

[Vesely] It was confirmed that the Hungarian side would not start work this year. It would not dam the riverbed for the Danube.

[Polacek] What does this mean for the construction of the Gabcikovo project?

[Vesely] This means for the Czechoslovak side the delaying of the Gabcikovo stage of the project by 1 year, that is instead of 1992 the project would come on line in 1993.

[Polacek] What will the Czechoslovak side do to ensure that such delaying measures are not repeated?

[Vesely] Talks were held yesterday between our government's commissioner and the special commissioner of the Hungarian Government. From the conclusions drawn at these talks it has emerged that the Czechoslovak side is to draw up a standpoint in regard to the more precise interpretation of the Presidium of the Hungarian Government of 20 July, in which the Czechoslovak side will adopt an attitude to this newly emerged situation. This should happen by the end of the current month or at the beginning of September this year. [end recording]

Letter to CPCZ Stresses Security Measures

AU0308104989

[Editorial Report] Both Prague RUDE PRAVO in Czech and Bratislava PRAVDA in Slovak on 2 August on page 1 carry the text of the 600-word letter sent to the Czechoslovak Communist Party (CPCZ) Central Committee by the participants in the "citywide gathering of the CPCZ functionaries' aktiv and members of the people's militia and the national security corps," held in Prague on 1 August, which states, among other things, that "we will take all of the necessary measures to ensure that life in the city will continue as normal during the days of August, which opposition groups want to misuse to antisocialist provocations."

Also on 2 August on page 1, under the headline "We Will Spare No Effort to Strengthen Socialism," RUDE PRAVO carries a 1,300-word report on the abovementioned gathering by its correspondents Nada Adamickova and Vaclav Pergl, which mentions that the participants "endorsed with long-lasting applause" the letter to the CPCZ Central Committee. "Despite that, its content and mailing were put to a vote. It was approved by an overwhelming majority. One participant in the gathering voted against the letter and one abstained."

Regional, Municipal Secretaries Discuss Tasks

AU0308101089 Prague RUDE PRAVO in Czech 2 Aug 89 p 1

["(Z)"-signed report: "A Nationwide Meeting"]

[Text] Prague—On Tuesday [1 August], a nationwide meeting of party regional and municipal committee secretaries with responsibility for political and organizational and ideological work took place in the Communist Party of Czechoslovakia [CPCZ] Central Committee building. Members of the CPCZ Central Committee Presidium and the chairman of the CPCZ Central Control and Auditing Commission participated in the meeting.

The situation in the fulfillment of the tasks which arose from previous CPCZ Central Committee sessions was discussed. Experiences from the course of action so far in enforcing the CPCZ Central Committee Presidium resolution on the annual members' meetings of primary organizations, plenary meetings, and the party conferences prior to the 18th CPCZ Congress were evaluated.

The activity of party organizations and working collectives which in the spirit of the Declaration of the CPCZ Central Committee Presidium on the 41st Anniversary of Victorious February, by their increased initiative, and by fulfilling the planned tasks, express their support for the CPCZ's policy and the socialist state, as well as their decisive disagreement with the activity of antisocialist elements, was positively evaluated at the meeting.

Other topical tasks concerning the internal political life of our society, its political and organizational, ideo-educational, and propaganda safeguards were also discussed.

Official Denies Bishops Appointed After Pressure
LD0308195389 Prague CTK in English 1545 GMT 3 Aug 89

[Text] Prague Aug 3 (CTK)—The appointment of new Roman-Catholic bishops in Czechoslovakia "is the result of talks and mutual agreement (between Czechoslovakia and the Vatican). As for the Czechoslovak side, it is the product of its goodwill to solve open problems and proceed on the road of gradual normalization of relations with the Vatican."

This was stressed by Vladimir Janku, deputy minister—director of the Czechoslovak Government Secretariat for Ecclesiastical Affairs, in an interview for CTK today.

He was responding to attempts by some Western mass media to distort the results of the agreement between Czechoslovakia and the Vatican and explain it as an alleged victory of the pressure of one side and giving in of the other. In this connection the government official stressed that "acting under any pressure would be completely unacceptable for us."

As regards allegations that the Czechoslovak side is hampering the talks by pushing through certain candidates, Vladimir Janku said that "the candidates are submitted solely by the Vatican on the basis of its own inquiries," he added that "the talks are hampered and their results sometimes even marred by actions of those foreign and home forces which do not strive for religious but political interests. Without this, concrete results concerning the filling of vacant bishoprics could have been more substantial today," Janku said.

Army Deserter Apprehended With Stolen Weapons
AU0308095889 Prague RUDE PRAVO in Czech 2 Aug 89 p 1

["jc"-signed report in the "Black Chronicle" column]

[Text] An armed conscript deserted his military unit in Prachatice on Sunday [30 July]. During his desertion he stole a truck, which was found the same day. After an extensive search, the deserter was apprehended on Monday [31 July]. The stolen weapons and ammunition were recovered. The case is being investigated.

Computer Consultancy Center Opens in Plzen
AU0408083389 Prague RUDE PRAVO in Czech 3 Aug 89 p 2

[Report in the "By Telex, Post, and Telephone" column]

[Text] The United Agricultural Cooperative [JZD] Agrokombinat Slusovice Technical Services Department has opened a microstructure cybernetics sales and consultancy center in Plzen. This JZD is the largest supplier of microcomputers in our country—it is estimated that two out of three computers in the CSSR come from Slusovice. Besides consultancy and advice about the technical equipment's configurations and the selection of programs, the center is intended for the distribution of 16-bit computer systems which will be fully compatible with the world standard, the IBM PC. This will not require hard currency participation.

Leaders' Public Appearances for 27 Jul-2 Aug
AU0408080389

[Editorial Report] Prague RUDE PRAVO in Czech and Bratislava PRAVDA in Slovak from 28 July to 3 August reports the following appearances of CSSR leaders (sourcelines given in parentheses):

The gala opening of the Pepsi Cola bottling operation in the Agrokombinat Slusovice's plant in Tisnov near Brno on 28 July was attended by Vladimir Herman and Frantisek Zajic. (RUDE PRAVO 29 Jul 89 p 2)

The aktiv of CPCZ functionaries and members of the People's Militia and the National Security Corps in Prague on 1 August was attended by CSSR Interior Minister Frantisek Kincl and Miroslav Stepan. (RUDE PRAVO 1 Aug 89 p 1)

Frantisek Hanus, CPCZ Central Committee secretary, heading a CPCZ delegation, returned from Mozambique, where it attended the fifth Frelimo Congress, to Prague on 2 August. (RUDE PRAVO 3 Aug 89 p 2) He attended a rally on the eve of the traditional Rysy Mountains climb at a camping ground near Tatranska Lomnica on 2 August. (RUDE PRAVO 3 Aug 89 p 1)

Ignac Janak, CPCZ Central Committee Presidium member and first secretary of the CPSL Central Committee, received Janos Szerencses, Hungarian consul general in Bratislava, in Bratislava on 31 July. (PRAVDA 1 Aug 89 p 1)

Frantisek Pitra, CPCZ Central Committee Presidium member and Czech premier, paid a 1-day working visit to the Chrudim District on 2 August. (RUDE PRAVO 3 Aug 89 p 2)

Miroslav Stepan, CPCZ Central Committee Presidium member and leading secretary of the Prague CPCZ City Committee, visited the Prague Communications enterprise on 27 July. (RUDE PRAVO 28 Jul 89 p 2) He attended reception at the Embassy of the Democratic People's Republic of Korea in Prague on 27 July. (RUDE PRAVO 28 Jul 89 p 2)

GDR Border Troops May Rejoin Interior Ministry

AU0208125989 Cologne Deutschlandfunk Network in German 1100 GMT 2 Aug 89

[Interview with Peter Joachim Lapp, editor of Deutschlandfunk's East-West Department, by moderator Dietmar Boettcher in the Cologne studio on 2 August—live]

[Text] [Boettcher] The GDR reportedly intends to reorganize jurisdiction concerning its border troops. According to unconfirmed reports, the 50,000 men of this force will be placed under the jurisdiction of the Interior Ministry, instead of the Defense Ministry. Is it true that the GDR is considering such a move for disarmament policy reasons?

[Lapp] That is probably the most important reason, if the border troops really are removed from the jurisdiction of the GDR Ministry of National Defense. We should perhaps add that they were not always under this ministry's jurisdiction; in the fifties they were assigned to the Interior Ministry, to which they will now be reassigned. The question now is whether the GDR border troops will then become a border police again. That would be a signal to Vienna and a signal to the GDR people.

[Boettcher] Which would mean what?

[Lapp] It could mean that a certain liberalization that has occurred regarding the order to shoot would be enhanced in practice by the possible introduction of a different border regimen in the GDR. Considering the order to shoot—the other side has always strongly denied the existence of such an order—we could say that paragraph 27 of the GDR Border Law mentions this order, even though it uses a different term and speaks about the use of firearms; in this respect, increasing international pressure could cause the GDR to soon change this paragraph and stop shooting at the border. In fact, no shots have been fired recently. We have evidence that the last time a man died after being shot at by GDR border troops was on 6 February.

[Boettcher] We have the information from GDR border troops who have fled across the border in increasing numbers recently. Is this also the result of the nonapplication or reduced application of the order to shoot?

[Lapp] In talks with FRG politicians, Erich Honecker said quite clearly that defectors and people attacking border troops will continue to be shot at. What is strange about this is that the GDR border troops are allegedly very reliable, but increasingly flee to the West. One, two, or three men, including officers, come to us every month. That is very embarrassing for the other side. They also bring us the information that we are discussing here.

[Boettcher] Is the number of 350 persons who fled to the FRG recently realistic?

[Lapp] I cannot confirm this figure; it is smaller. Reportedly, escape attempts on the whole—on the intra-German border rather than in Berlin —have been increasing considerably. However, the reconnaissance quota is also very high. Reportedly between 80 and 90 percent are caught and arrested before they reach the last GDR border facilities with the West. These people are also sentenced. The border troops have substantially intensified the so-called up-country security, which is, of course, very personnel-intensive. Here reconnaissance is carried out covering a region from the GDR's western border up to 30 or 40 kilometers—some people even speak of 100 kilometers—deep into GDR territory. Transport police occasionally even carry out checks in trains going to the West, and arrest young people whom they suspect of planning to flee to the West.

GDR Citizens in FRG Missions in East Bloc

AU0408114289 Hamburg BILD in German 4 Aug 89 pp 1,4

[Unattributed report: "Hungary Is Planning Political Asylum for GDR Citizens"]

[Text] As the first East bloc country, Hungary is considering granting political asylum to GDR citizens. They could legally leave the country for the FRG. In addition, Budapest confirmed that three refugees camps which would also be open for Germans are planned to be established. Meanwhile, an increasing number of GDR citizens are seeking refuge in our East bloc missions.

At present, 80 GDR citizens are in our permanent mission in East Berlin. They only want to leave if the GDR authorities permit them to go to the FRG. In our embassy in Prague there are currently 20 would-be emigrants from the GDR, and in Budapest there are even 150.

GDR Lawyer Wolfgang Vogel has been acting as a mediator for the refugees in East Berlin and Budapest. He has often dealt with such cases.

The Federal Government stated that it does not consider restricting the work of the permanent mission or even close it. State Secretary Franz Bertele, head of the mission, said: "Whoever wants to come to us will be let in."

Increase in Number of Right-Wing Extremists

AU0408200889 Hamburg DIE WELT in German 4 Aug 89 p 4

[Report by Hans.-R. Karutz: "Analysis: Fascists Increasingly Popular in the GDR"]

[Excerpts] Berlin—An increase of right-wing and neofascist movements has become noticeable in the GDR: Vocational school students, young workers, probably even paratroopers of the People's Army have been affected. There are proper secret "paramilitary camps;"

reestablishing the German Reich within its borders of 1938 is the political goal of the GDR right-wingers, who are reportedly reading Hitler's "Mein Kampf." An analysis by circles of the GDR's Evangelical Church quotes insiders as saying that "the antifascist defensive front is crumbling within the population."

Under the title "The New Old Danger—Young Fascists in the GDR," German Film Corporation director Konrad Weis has now presented an 11-page paper on the young fascist hard-core activists "GDR style," whose number is estimated at some 1,000. His conclusion is that "in the long run, only true democracy can immunize the young people of our country against fascist ideology." The author criticizes the SED's official policy because it provides only very little information about these alarming developments. [passage omitted]

Between 1983 and 1987 there has been a "five-fold increase" in the number of acts of violence and crimes in this field in the GDR, the report states. [passage omitted]

Krolikowski Receives PRC Deputy Minister
LD0408213489 East Berlin ADN International Service in German 1556 GMT 4 Aug 89

[Text] Berlin (ADN)—Dr Herbert Krolikowski, GDR secretary of state and first deputy minister of foreign affairs, on Friday received PRC Deputy Foreign Minister Tian Zangpei, who is in the GDR for consultations, for a friendly talk.

The two sides emphasized during the exchange of views on international problems that further progress in the consolidation of the changeover from confrontation to detente has been achieved. At the same time they noted that the international situation remains complicated and contradictory, and that a breakthrough in improving international relations still requires considerable efforts.

It is of paramount importance to agree without delay new measures for a significant reduction in military confrontation for nuclear, conventional, and other types of weapons and to provent a new round of the qualitative arms race. Increased efforts by anti-detente forces to interfere in the internal affairs of other states and undermine their socio-political system are causing concern.

The two sides affirmed the determination of their countries to continue steadfastly their work for the strengthening of the disarmament process, the reduction of international tensions, and the overall development of mutually beneficial cooperation between states.

Tian Zengpei spoke about the forth session of the CPC Central Committee and thanked the GDR for its solidarity during the recent events in the PRC. Herbert Krolikowski expressed his conviction that the measures adopted by the Chinese party and state leadership for the stabilization of the situation in the country would serve the interests of the Chinese people and the socialist construction in the PRC.

The two sides praised the high level of the friendly relations between the two parties, states, and peoples. They discussed further possibilities of their overall development and concurred that the forthcoming 40th anniversary of the founding of the GDR and PRC will provide a new impetus for it.

On Thursday Bruno Mahlow, deputy head of the International Relations Department of the Socialist Unity Party of Germany Central Committee, had a meeting with the Chinese guest.

Leaders' Public Appearances for 27 Jul-2 Aug
AU0408101989

[Editorial report] East Berlin NEUES DEUTSCHLAND in German from 28 July to 4 August reports the following appearances of GDR leaders (date of publication, page number in parentheses):

Werner Eberlein, member of the Politburo of the Socialist Unity Party of Germany (SED) and first secretary of the Magdeburg Bezirk leadership, visited the Haldensleben Wood Industry State Enterprise (VEB) on 27 July. (28 Jul, p 2) He visited the VEB Pit Construction Collective in Nordhausen on 28 July. (29-30 Jul, p 2)

Guenther Kleiber, first deputy chairman of the GDR Council of Ministers and member of the Politburo, received outgoing Jamaican Ambassador Glaister Duncan in Berlin on 1 August. (2 Aug, p 2) He attended a reception hosted by Swiss Ambassador Franz Birrer in Berlin on 1 August. (2 Aug, p 2)

Egon Krenz, member of the Politburo and secretary of the SED Central Committee, visited an Indian photographic exhibition in Berlin on 28 July. (29-30 Jul, pp 1-2) He attended the final ceremony for the 12th Children's and Youth Spartakiad in Berlin on 30 July. (31 Jul, p 1) He received outgoing Jamaican Ambassador Glaister George in Berlin on 2 August. (3 Aug, p 2)

Erich Mueckenberger, member of the Politburo and president of the GDR-Soviet Friendship Society, received a delegation of the Polish-Soviet Friendship Society in Berlin, date not given. (2 Aug, p 2)

Alfred Neumann, member of the Politburo and first deputy chairman of the GDR Council of Ministers, attended a reception hosted by Peruvian Ambassador Jaime Cacho-Sousa Castro in Berlin on 28 July. (29-20 Jul, p 2)

Former Romanian King Interview Draws Reactions

Budapest TV Broadcasts Interview

LD0508012389 Budapest Television Service in Hungarian 1855 GMT 31 Jul 89

[From the "Panorama" program; interview by unidentified Budapest Television reporter with former Romanian King Michael in Geneva, Switzerland; date not given; King Michael speaks in Romanian with superimposed Hungarian translation—recorded]

[Excerpts] [Unidentified announcer] Excuse me for the postponement. We shall now broadcast the report which, regretfully, was left out of our last broadcast because of too much material. This is the first time that 68-year-old Michael I, has appeared in front of a television camera. Perhaps it is unnecessary to say that we do not want to argue via this film in support of monarchy as a form of government. We only continue our historical portrait gallery with the portrait of a man who indisputably played an important role in the history of his homeland and of Europe on one single memorable occasion, when Bucharest was successfully able to get out of World War II. Thus, here is Michael I, the exiled king of Romania.

[Unidentified reporter] The man who is now passing our car on this road in a Geneva suburb is, at first sight, like a typical village pensioner, despite the fact that he is the last survivor among the statesmen of World War II. Once he was called Michael I and he was twice king on the throne of Bucharest.

One of his hobbies is the automobiles, or more precisely their engines. He rents a roomy, nice house about 10 to 12 km from Geneva, but he has lived in palaces, too.

We can really say of him that he was born in velvet and he was a king already at the age of 6, when, in 1927, his father Carol II resigned and was forced into exile. Instead of the young king, a government and a regency council ruled in the convivial, liberal confusion of the 1920's. However, in 1930, when Michael was 8 years old, King Carol II, infamous for debauchery, returned. He compensated his son with the title of Voivode of Gyulafehervar [a town in Transylvania] for the throne which he took away from him.

[King Michael] My father set up for me a unique school in which children from all regions and all social classes of Romania came, in order for me to get a picture of the character of the country at the time.

[Reporter] How many boys attended the school?

[King Michael] I think we began with 12; there was a Hungarian and a German national minority boy among us, too. The name of the Hungarian boy was Kovacs, while the German boy's name was Heltmann.

[Reporter] How did you become king again in 1940?

[King Michael] The domestic political situation became very complicated then. The Iron Guard incited and raged and so did the (?legion). In the end, my father was forced to release General Antonescu from house arrest in order to help clear up the situation. Antonescu's response was to call on my father to depart. On that same morning I was sworn in.

[Reporter] When you became king in 1940 were you 19 years old?

[King Michael] Yes.

[Reporter] And whom did you root for in the world war?

[King Michael] It was a feeling I had almost since the cradle that I rooted for Britain first and in general for the Western powers.

[Reporter] Because of your English education?

[King Michael] Yes, but in addition to that it was a tradition in Romania that in a cultural and political sense we had always stood alongside France and Britain.

[Reporter] Thus, Antonescu became the dictator and you as a king were used by him as a showpiece, if I may use this term.

[King Michael] Yes.

[Reporter] How did you get along with this man?

[King Michael] My relationship to Antonescu was characterized by an increasing remoteness, because he intervened in our private life again and again, intervened in the internal order of the court, and in the end this became very unpleasant.

[Reporter] The young king sought refuge in his hobbies away from the pressure of the dictator and the Nazis. He participated in car rallies, assembled cars, flew, hunted in Transylvania, where from time to time he knocked on the doors of Hungarian homes, too. Here is an extraordinarily typical picture of the intrigues in the court: One of the (?officers) of Antonescu salutes Michael; Elena, the king mother, smiles sardonically; behind Antonescu the marshal's simple-minded wife, enjoying life unaware of the future; the little Antonescu, i.e. the minister of foreign affairs, has a concerned experession; and the court adjutant, Baron (Mocsony-Szocse), the king's confidante, is watching things alertly. We will meet him in this film at a later stage.

[King Michael] We sent our man to Cairo and Ankara with the objective of trying to establish contacts with the Allied powers.

[Reporter] Did Antonescu know nothing about this?

[King Michael] I am sure that he knew something, but he did not say anything about it.

[Reporter] We have come to August 1944. The Soviet Army advanced from the east, broke through the defense (?line) of the [name indistinct] river and the German Gros Deuschland Panzer Division marched out of Romania.

[King Michael] Yes.

[Reporter] By then it was clear that the Soviets would reach Bucharest within a few weeks or months perhaps. What led you to carry out a royal coup d'etat and to take power?

[King Michael] As a matter of fact, we had already tried to do something before then. For, I asked the Allies to support us by sending us parachutists, but they did not send them.

[Reporter] Did Marshal Antonescu, the dictator, come by himself or was he accompanied?

[King Michael] He came with the deputy prime minister and foreign minister, his namesake, Michael Antonescu. I remember exactly that all these took place around 1600 in the afternoon. I was accompanied by General [name indistinct] who was the head of my military cabinet. We had a long argument and I asked him to give an account of the situation at the front first of all. He rejected outright the need to end the war and to conclude an armistice. At this point, I said that this really could not go on any further, this was the last straw. This was really a prearranged code, a sign upon which a lieutenant and three noncommissioned officers entered and I arrested the two Antonescus.

[Reporter] Were they not armed?

[King Michael] No.

[Reporter] Where did you put them?

[King Michael] They were led away and were locked up in a vault where in the old days my father used to keep his stamp collection.

[Reporter] After this you immediately named the new government. [passage omitted] Thus Romania succeeded in getting out of the war. After this, the young king fought for 3 years and 4 months for the maintenance of the Western-type constitution and monarchy, but his struggle was doomed to fail. At the beginning there was a honeymoon. He was also hailed at meetings; Stalin awarded him the rarest Soviet military decoration—it was presented by Marshal Tolbukhin—the Order for Victory ringed with 52 rubies. Stalin had also sent Andrey Vishinskiy, the notorious prosecutor of the Moscow short trials, to force out of Michael—sometimes by force sometimes with diplomacy—one and yet another concession, and a yet a further ministerial post for the left-wing bloc.

By now the jovial, popular Petru Groza appears, the one whom Michael authorized, albeit reluctantly, to form a government. And there appears also another figure presaging doom—the one who may be seen in the picture at the right—Gheorgiu Dej and Ana Pauker, the two Stalinist leaders of the Communist Party. Well, in the end Gheorgiu Dej asked for an audience with the king before the last day of December 1947.

[King Michael] The document about abdicating the throne was pushed under my nose. To put it briefly, we had a rather long argument. The main thing I said was that I could not sign this until they asked the Romanian people what they wanted. They replied that there was no time for this, that we could not do this. The people learned to like you; they will learn to like us. So I asked to be left to myself for a while. I went into my office where I was informed that my telephone lines had been cut, the guards had been arrested and taken away, and had been replaced by the troops of the government. In the second circle [as heard] around the house stood cannons aimed at us.

In other words, there was little I could do. We tried to negotiate a little bit further, then Groza—or more precisely Gheorgiu Dej—blackmailed me by saying unless I signed the resignation within a few minutes or half an hour there would be a bloodbath in Romania. And anybody who takes a step against this would be liquidated. In other words, I had to sign that thing, if not for myself—for this was not the main thing; the main thing was that I didn't want even more suffering and unnecessary happenings to take place in the country because of me.

[Reporter] Power then was taken over by the communists. Among them, Luca and Petrescu were executed a few years later in a show trial, while Michael received his royal passport which was 'carefully' stamped by the Romanian People's republic. He entered Loekoeshaza for transit, left at Hegyeshalom [on the Hungarian border with Austria] on 4 January 1948. Soon he married Anne, the Danish princess, who soon had given birth to five daughters, not one boy. Michael the professional—he was a test pilot in California and in Geneva and he even opened an electronics enterprise which later became bankrupt. He was also a stockbroker in New yorк. He has not stopped flying even now. He has four grandchildren already—in this picture he has only three.

These days there is a trend in Romania which President Ceausescu has also referred to several times—that allegedly Romania's population is homogenous. Is this how you too see it?

[King Michael] The way in which it is as stated, in my opinion, it is a complete absurdity. For, every country is made up of different parts which have different traditions, different cultures. Of course, they can be compelled by force to assimilate, but that is not a method.

[Reporter] How much do you know about the so-called settlement regulations plan?

[King Michael] From what I've heard on the basis of the information available it is simply a crime, a crime against humanity. It is a barbarian concept. In my view, they do this primarily in order to be able to fully control the population.

[Reporter] What do you think about the fact that the Ceausescu regime sells Germans and Jews for head money to emigrate?

[King Michael] This thing has been going on for some time, and I must say it has always outraged me because people are seen by (?him) as animals and he sells them for money, and for convertible currency.

[Reporter] We are talking in the office here, in the presence of Prince Margaret, the oldest daughter of the king, who is an official of the UN and lives in Rome, about Transylvania, Europe and the Hungarian-Romanian relationship.

[King Michael] There were problems in the past between Romania and Hungary. However, in my view, there is no reason whatsoever for this tension to continue. France and Germany give a very good example. They were archenemies for a very long time and now they are good friends. I see no reason why we could not act like these.

[Reporter] Would you you welcome the spiritualization of the border between Romania and Hungary, i.e. so that the border will not plague the life of the people?

[King Michael] In my view, this should be the natural task for all of Europe; and if it really takes place, then Romania and Hungary, too, would be able to make use of the opportunity; and the free movement of people and goods generally would prevail.

Party Replies to Romanian Protest

LD0408175989 Budapest MTI in English 1640 GMT 4 Aug 89

[Text] Budapest, August 4 (MTI)—There has been a reaction to the interview in Hungarian Television's "Panorama" with deposed King Michael of Romania. The broadcast of the interview drew an official protest from Romania and caused some diplomatic turmoil between the two countries. The Hungarian Military of Foreign Affairs published an official statement on Thursday, and on Friday afternoon, in the party headquarters, Jozsef Nagy, of the HSWP [Hungarian Socialist Wokers Party] Central Committee, briefed "NEPSZABADSAG" and MTI journalists on behalf of the party spokesman on the standpoint of the party leadership.

He said that on August 3, Gyorgy Fejti, member of the HSWP Political Executive Committee and secretary of the Central Committee, met Traian Pop, the Romanian ambassador to Hungary, who protested on behalf of the Romanian party leaders about Hungarian Television's broadcast of an interview with former King Michael of Romania on July 31. The Romanian side objected to the tone of the interview, and indicated a couple of measures in response which the Hungarian Government had already been informed of through diplomatic channels. Mr Fejti rejected the Romanian protest stressing that the event did not justify such diplomatic reaction. At the same time he added that the HSWP leadership thought it was unfortunate that the interview was made public as they did not agree with some of its bias and were particularly concerned that the former Romanian king used Hungarian Television to address the people of Romania in Romanian.

Traian Pop was informed that the HSWP leadership had made several steps in the wake of the top level meeting in Bucharest to settle Hungarian-Romanian relations. For instance, the Political Executive Committee requested the Council of Ministers at its July 24 session to ask the mass media to present Romania in a balanced manner. The body explicitly condemned the continuation of any public statements in connection with a 'Romanian military threat.'

Mr Fejti also told the ambassador that they were unable to ignore the press materials published in Romania attacking Hungary and the policy of the HSWP. However, to further cooperation after the Bucharest meeting, the Hungarian side refrained from official comment.

But he also pointed out that such statements made by either side contradict endeavours to reinforce good relations between the two parties and peoples.

He expressed his regret at the decision of the Romanian side to cancel the invitation of the Hungarian Council delegation to study the settlement systematization scheme in Romania and hoped the matter would be reconsidered.

The HSWP Political Executive Committee has been informed of the protest by the Communist Party of Romania, and approved the reply given on behalf of the party leadership.

Ambassador Not To Be Recalled

LD0408235989 Budapest Television Service in Hungarian 1730 GMT 4 Aug 89

[Interview with Dr Gulyas Andras, director of an unidentified Foreign Ministry department by reporter Judit Toth; date, place not given—live or recorded]

[Excerpt] [Toth] Romania has summoned its ambassador home. Has it done so permanently?

[Andras] The expression used in the diplomatic dictionary was that "the government has summoned the ambassador home for consultations." This presumably means that after the consultations at home he will return to his station. [Judit] Can it be expected that we, too, might order our ambassador home?

[Andras] No, we cannot do that even in a physical sense because he is in Budapest at the moment, on vacation.

[Judit] What further steps will the Ministry of Foreign Affairs take after this statement on this affair?

[Andras] It is not our intention to escalate the war of statements. We consider the issue closed and we would like to start substantive negotiations on all the questions burdening bilateral relations. This is the Hungarian side's position.

Defense Ministry on Romanian Official's Visit

LD0508024289 Budapest Domestic Service in Hungarian 2000 GMT 4 Aug 89

[Excerpts] In the view of the Hungarian Ministry of Defence, the debated Hungarian and Romanian problems can be and must be solved at the negotiation table, and it is in this way that the opinions of Romanian Deputy Minister of Defense Ilie Ceausescu, which are strongly criticized in Hungary must be clarified. [passage omitted]

In this connection, the statement of the Ministry of Defense notes that the ministry has several times already expressed its dismay at the historical works of the Romanian military leader, but the planned visit may help in clarifying things.

Ceausescu's Visit Opposed by Groups

LD0408214989 Budapest Domestic Service in Hungarian 1630 GMT 4 Aug 89

[Text] Several political organizations in Bekescsaba are protesting the official visit to Hungary by Romanian Deputy Defense Minister Ilie Ceausescu, which is planned for this year. The Bekescsaba branches of the Hungarian Democratic Forum, the Endre Bajcsy-Zsilinszky Friendship Society, the Alliance of Free Democrats, and the Federation of Young Democrats recall one of the recent statements by Ferenc Karpati, which appeared in NEPHADSEREG on 14 July and in which the visit is announced. The organizations involved oppose the Hungarian visit of Ilie Ceausescu because, in their view, the lieutenant general crudely falsifies the history of the Hungarian and Romanian peoples in several of his articles, studies, and books.

Budapest Reports Statistics on Romanian Refugees

LD0508023789 Budapest Domestic Service in Hungarian 2000 GMT 4 Aug 89

[Text] More than 17,000 have fled Romania to Hungary, according to the latest information. In the first half of 1989 approximately 171 million forints were spent from the settlement fund to help them. The Refugee Affairs Bureau of the Ministry of the Interior says that until now almost 400 families have received money for building or purchasing homes. They have received more than 64.5 million forints while the councils spent a further 13 million forints to furbish the 250 apartments and hotel accomodations for the Romanian refugees. In addition to this, families with children received 28 million forints in lump sums for settling. Another 150 million forints can be spent from the settlement fund for easing the acclimatization of the Romanian refugees.

Nyers, Others Meet New Ambassador to Tirana

LD0908213989 Budapest MTI in English 1749 GMT 4 Aug 89

[Text] Budapest, August 4 (MTI)—Rezso Nyers, president of the HSWP [Hungarian Socialist Workers' Party] Rezso Trautmann, deputy president of the Presidential council, Matyas Szuros, speaker of parliament, and Peter Medgyessy, deputy president of the Council of Ministers, met Mihaly Kornidesz, newly appointed Hungarian ambassador to Tirana, who is to leave for his post in the near future.

President Bush Meets Outgoing Ambassador Hazi

LD0608020689 Budapest MTI in English 1847 GMT 4 Aug 89

[Text] Washington, August 4 (MTI)—U.S. President George Bush met Vencel Hazi, the ambassador of Hungary to the United States, on Friday. Mr Hazi, whose term of service has come to an end, is soon to leave his post. Washington circles feel the meeting indicates that Mr Bush is interested in the development of relations between the two countries as the President of the United States rarely meets ambassadors about to leave their posts.

Ambassadorial Ties With UAE To Commence 2 Aug

LD0208192889 Budapest MTI in English 1814 GMT 2 Aug 89

[Text] Budapest, August 2 (MTI)—Guided by a desire to reinforce friendly relations and cooperation between the two countries, the governments of the United Arab Emirates [UAE] and the Hungarian People's Republic decided to assume diplomatic relations on ambassadorial level as of August 2, 1989.

A Budapest Foreign Ministry spokesman said economic relations between Hungary and the Emirates date back to the mid-seventies. Hungary has set a double goal in the development of contacts—it wishes to boost trade

relations and obtain the involvement of excess capital in economic schemes. Although Hungarian exports, mostly agricultural products, are modest, and last year were worth 16 million dollars, they are paid for in cash and not by export.

From the mid-seventies up to the present time, the financial institutions of the emirates have participated in credit deals involving Hungary to a value of 125 million dollars.

According to Hungarian expectations, the establishment of diplomatic contacts may expand possibilities for cooperation in all areas. The Emirates are interested in the tourist and investment potential of the Budapest-Vienna World Expo, and spa tourism.

The Hungarian Ministry of Foreign Affairs regards the assumption of diplomatic contacts with the United Arab Emirates as a breakthrough opening the way towards other countries of the Gulf. It is to be hoped that the step will help Hungary develop and formulate its relations with all states of the region.

Interior Ministry Official on GDR Refugees

AU0408130189 Cologne Deutschlandfunk Network in German 1100 GMT 4 Aug 89

[Text] The Hungarian Interior Ministry has dampened hopes that the country's accession to the Geneva Convention on Refugees could also mean a solution for the problem of the GDR citizens who are in the FRG Embassy in Budapest and want to emigrate. Colonel Nagy, director of the Ministry's Department for Foreigner Control, stated in a Deutschlandfunk interview today that Hungary does not feel responsible for the GDR citizens' desire to emigrate and does not want to be instrumental in this issue. He confirmed that it is basically possible for GDR citizens to apply for asylum. However, they have to prove that they are political refugees as defined by the Geneva Convention on Refugees. The GDR citizens do not want to be granted asylum in Hungary, but travel to the FRG, he said. Nagy pointed out that after frustrated attempts to escape, GDR citizens will be sent back to their homeland by Hungary and an entry will be made in their passports. This will not change as long as crossing the border illegally is regarded as a criminal offense in Hungary.

MAGYAR NEMZET Reply to Cuban Criticism

LD0508010189 Budapest MTI in English 1744 GMT 4 Aug 89

[Text] Havana/Budapest, August 4 (MTI)—An article of the Thursday issue of "GRANMA", the central daily of the Communist Party of Cuba, launched a sharp attack on an article in "MAGYAR NEMZET" and its contributor, dealing with the Cuban drug scandal. "GRANMA" also used the opportunity to severely criticize the Hungarian visit of U.S. President George Bush in July.

The article 'The General and Drugs—Death Sentences in Cuba' published in the July 18th issue of the Hungarian daily, on the affair of the national hero of Cuba, General Arnoldo Ochoa, and his associates, executed because of involvement in drug traffic, was based on information from the Spanish "CAMBIO-16" and the U.S. "NEWSWEEK". "GRANMA" says "MAGYAR NEMZET" 'echoed the worldwide anti-socialist campaign launched by the U.S. Administration', and the article 'expressed its thanks for the meagre economic promises George Bush made to the country'.

To a question of MTI, a spokesman for "MAGYAR NEMZET" said the paper did not wish to enter into debate with the Cuban article, as both its tone and content exclude the possibility. "The role of a 'distributor of justice' which the daily of the Communist Party of Cuba has bad memories, and possibly not only in Hungary. Only a couple of hours before the attack the news was received that the latest issues of "MOSKOVSKIYE NOVOSTI" and "SPUTNIK" had been prohibited in Havana. So it is not only Hungarian press, but also Soviet press that induces an uncomprehensible and inexplicable irritation in the Cuban capital, the spokesman said.

The spokesman thinks it is probable that Havana is irritated about the search for democracy in socialist countries such as the Soviet Union, Poland and Hungary, and the political leaderships that calculate with the specific national conditions, and respect the freedom of peoples and human rights, and are set on the course towards a constitutional state. 'Therefore, there is nothing we can debate with "GRANMA". We consider their article nothing more than a warning that there are still countries and parties that regard only their own system as the only road to salvation and socialism,' says the "MAGYAR NEMZET" statement.

Disappearance of Raqoul Wallenberg Recounted

LD0408125789 Budapest Domestic Service in Hungarian 1000 GMT 4 Aug 89

[Text] Raoul Wallenberg today would be 77 years old. Now there is still more uncertainty surrounding the Swedish diplomat than accurate knowledge. A memorial is being unveiled on the occasion of his birthday in Budapest's 13th District, the second one in the same place. The previous plaque was placed there in the 1950s. Now follows a sensation which we promised in the headlines to this bulletin: Anna Lengyel has interviewed Laszlo Hertelendi, secretary to the Swedish diplomat who saved tens of thousands of Jews. Mr Hertelendi has never made a statement to anyone in the 44 years that have elapsed since the events.

[Begin recording] [Hertelendi] Raoul Wallenberg, with his entourage, left for Debrecen on 17 January 1945, in order to ascertain his status with Marshal Malinovskiy and the Provisional Hungarian Government. He disappeared without trace between Budapest and Debrecen.

Raoul Wallenberg was traveling in his own car; in his entourage were Vilmos Lampferder, engineer—on this occasion he was also the chauffeur, a Russian military officer, and two Russian soldiers. He disappeared without trace between Budapest and Debrecen.

The text on the memorial plaque has it that fascists attacked him, abducted him, and obviously murdered him. I again and again protested against this text to the relevant authorities, the Ministry of the Interior, where, however, they warned me emphatically that I should keep quiet about this matter, that I should not mention it to anyone, and that I should not complain, because this is how it happened.

The commemorative plaque was there until the visit to Budapest by Prime Minister Olof Palme. At this time, the Swedish Royal Embassy placed a bronze arm in the wall, under the commemorative plaque, so that there would be a place for the wreath of the Swedish prime minister to be laid. I was present at the unveiling of the commemorative plaque.

[Lengyel] And did you protest against the text, then, too?

[Hertelendi] Yes, yes. I protested at the scene against the text, but unfortunately at that time several people from among those who were unveiling the commemorative plaque protested over how anyone could be such a spoil-sport and disturb, with such manifestations, this act of reverence.

Unfortunately, the situation is that as a consequence of my relationship to Wallenberg, there has only been unpleasantness for me until most recently. I have been disregarded despite the fact that I am convinced that every competent source has known what role I played alongside Raoul Wallenberg.

[Lengyel] For how long were you under arrest or imprisoned in the 1950s?

[Hertelendi] Well, if you please, this was sporadic, because I was detained on many occasions, under the most various titles, for approximately 2 years.

[Lengyel] How many people did you save?

[Hertelendi] I shall disclaim that question, because I would consider it immodest to accept. I assisted Raoul Wallenberg in saving people, but I attribute the saving of people exclusively to him. Nonetheless, I am convinced that he managed to save approximately 10,000 people; in this I, too, had something of a role. [end recording]

[Announcer] Allow me to add that Lazlo Hertelendi was informed about today's unveiling of a commemorative plaque from my colleague.

Final Results of Three By-Elections Released

LD0508224189 Budapest MTI in English 2043 GMT 5 Aug 89

[Text] Budapest, August 5 (MTI)—By-elections for parliamentary seats were held in three constituencies of Hungary on Saturday. The official results are as follows:

In Kecskemet:	
Dr Jozsef Debreczeni (Hungarian Democratic Forum)	7,876 votes (70.41 percent)
Dr Istvan Kiss (HSWP) (Hungarian Socialist Workers Party)	2,147 (19.19)
Laszlo Varga (Patriotic People's Front)	1,100 (9.83)
In Kiskunfelegyhaza:	
Pal Fekete (Hungarian Democratic Forum)	3,601 (29.10)
Dr Istvan Garai (HSWP)	4,775 (38.59)
Dr Laszlo Vas (Patriotic People's Front)	3,885 (31.40)

More than half of the voters did not participate in the by-election, none of the candidates were elected.

In Szeged:	
Dr Levent Dobozy (Patriotic People's Front)	1,747 (16.0)
Karoly Miklos (HSWP)	2,395 (21.93)
Dr Erno Raffay (Hungarian Democratic Forum)	6,720 (61.53)

Fejti, Tolgyessy Discuss Roundtable Problems

LD0508195289 Budapest Domestic Service in Hungarian 1400 GMT 5 Aug 89

[Text] [Announcer] Eszter Raday has spoken to Gyorgy Fejti, who leads the Hungarian Socialist Workers Party [MSZMP] delegation in the roundtable talks with the opposition, and Peter Tolgyessy who represents one of the members of the opposition roundtable, to find out why the roundtable talks have run aground.

[Begin recording] [Raday] MAGYAR HIRLAP asked why you did not organize a joint press conference. Who opposed this? Gyorgy Fejti, MSZMP.

[Fejti] The issue of holding a joint press conference did not even arise; this was the separate sovereign decision of each of the negotiating sides. In this case, I saw advantage in having everyone make public their own order of views, according to their own conception of briefings, amid calm circumstances.

[Raday] Why did the opposition roundtable not organize a press conference jointly with the MSZMP? Peter Tolgyessy, alliance of free democrats.

[Tolgyessy] It is very easy for me to reply to this, for at the latest medium-level talks, I was the one who proposed to the MSZMP that we should issue a joint

communique. For, the agreement stipulates that we will regularly brief Hungarian public opinion, and it is at least as important, if not more so, that Hungarian public opinion expects this.

The opposition roundtable thinks that if these questions are made public, then Hungarian society will also become acquainted with the views of the sides, that of the MSZMP and the opposition roundtable and will be able to decide which group it is able to support. To this, the MSZMP's reaction was that they do not oppose it, but do not consider it correct. Why should these things be put before public opinion here? For we are in process of reaching agreement here. The third negotiating side simply rejected the idea of issuing a joint communique. If any one of the sides does not agree to something, then there is no decision. Thus, the outcome was that there was to be no joint communique. Thus, as a matter of course, no joint press conference, either.

[Raday] Some of the questions in which there is disagreement between the negotiating sides also concern the text of the Constitution. For example, the formula on which the MSZMP insists, as I found out from the opposition roundtable press conference, that the working class is the leading force of society. The MSZMP would be prepared to compromise in this question, in return for the opposition making concessions in other questions. Gyorgy Fejti.

[Fejti] It is not precisely a question of this. The Council of Ministers has submitted an initiative for the amendment of the Constitution, to the parliament, which pertains to the creation of the institution of the president of the republic and the creation of the constitutional court. In accordance with the agreement signed by the three sides, the legal regulation of these two institutions must be reviewed. It is quite clear that Hungary needs a new constitution, but I think that this new constitution does not have to be created during the course of the present trilateral talks. This would be completely impossible.

[Raday] It was you who proposed that the question of constitutionalizing be put on the agenda.

[Fejti] We proposed that the questions of constitutionalizing be put on the agenda in the knowledge and hope that the institutions of the president of the republic and the constitutional court should be created by the parliament.

[Raday] Yes, but these things belong together. That is, the institutions of the president of the republic and the constitutional court, and the Constitution, are one. Now, I think that to make certain declarations in questions regarding the Constitution, but to then not debate, clarify, discuss the questions, and reach agreement, amounts to nothing more than the toasts which are voiced at dinners with various heads of state.

[Fejti] What you say sounds very good, but constitutionalizing is a very important matter, and inasmuch as people are used to talking about making deals above the heads of the people, I think it is particularly relevant to this, that to constitutionalize in this way, reading through the Constitution and rewriting it in the framework of trailateral talks, is completely impossible.

We were thinking about constitutional amendments basically in connection with the creation of new laws. The reason given by the government, by the way, in connection with the creation of the institution of the president of the republic, was fundamentally that in the political transition phase in which we find ourselves, the creation of a new legal institution, that of the president of the republic, can give a political guarantee, political security.

[Raday] As you know, the opinion of the opposition is that this would be suitable for the MSZMP salvaging its hegemony, the power of the MSZMP for a future post-election time. That is, this is why they consider this so important, as the cornerstone of every agreement.

[Fejti] I am familiar with this view, except that I do not see it as justified. I do not know how far the institution of a president of the republic, elected through the vote of the people, would serve the salvaging of the power of the MSZMP.

[Raday] I think they are not fighting against the institution of the system of a president, but against this happening before the elections, that this parliament should vote on it and a new president be elected.

[Fejti] This parliament, if it has sufficient legitimacy to create an electoral law, then I think it also has every kind of right to create a new institution.

[Raday] An electoral law is a condition of the elections. A new institution however, determines the fate of the country for a long time to come.

[Fejti] I very much hope that inasmuch as the Hungarian parliament creates the institution of the president of the republic, then this institution will last. But, naturally as a part of consitutional activity, as with every other institution, the experiences of functioning of the institution of the president of the republic which perhaps [word indistinct] could be reviewed.

[Raday] The argument of the MSZMP that these two institutions are conditions for a peaceful transition and stability, seems to be one before which every party interest must retreat. What is the opposition roundtabel opinion?

[Tolgyessy] In my view, we are not denying the existence of this institution on the basis of party views, but are against this being a fait accompli which the new National Assembly could not change. The MSZMP has renounced constitutionalizing with this National Assembly, this is now obvious. However, it has taken out those two

elements which the opposition most debated, however: the president of the republic and the constitutional court. It is trying to have these created, after all, with this National Assembly.

The institution of president of the republic cannot be viewed in isolation. This must be seen as a whole, compared to the other public law institutions, that is the premier, the National Assembly, the constitutional court and the rest. The MSZMP, by now making this institution of head of state, is thereby determining the constitution of the future.

[Raday] Gyeorgy Fejti said this institution was not an advantage for the MSZMP because the president will be elected, that is, anyone can be elected, not just Imre Pozsgay.

[Tolgyessy] I think there would not be a real election now, for the leaders of the MSZMP... [changes thought], Imre Pozsgay who, let there be no misunderstanding, is more of a democratic politician than other MSZMP leaders, has been known by the public for decades. We simply cannot compete; not necessarily because we would not have a program, would not have personalities, but this advantage of decades which the MSZMP has, this enormous superiority—if somebody were to measure how many brief snatches the opposition leaders get, then it would transpire that it is hopeless—for they are thinking about autumn elections, direct head of state elections—hopeless for an opposition leader to take up the gauntlet.

[Tolgyessy] Another thing must be recognized: The MSZMP is defending to its utmost the system of state socialism, which is formulated in the Constitution - as regards both the leading role of the working class, the old Stalinist formulation of property-relations, several other clauses with such regulations in the Constitution. It appears to me that the MSZMP is diametrically opposed to the state plans; if it accepts a market economy, where there is market neutrality, I do not understand why it has not been able to accept this at the negotiating table, as well? Why is it defending the old clauses?

I believe that it is thinking in terms of bargaining. Namely, that it would make concessions in these declarative principles, and it would renounce the principles of state socialism, if the opposition were to accept the institution of head of state, and that we would make a swap, in which they would give certain democratic freedom rights, they would give free elections, while we would in advance accept Imre Pozsgay, we would accept a constitutional court. Somehow this is how the MSZMP envisioned the deal.

[Raday] Would this compromise not be a kind of give-and-take?

[Tolgyessy] I believe that there is no give-and-take in democracy. From what I have heard, from the MSZMP leaders, from their public statements, they have never spoken about this. Never have they said that democracy has a price. Here, their leaders, the Presidium's members, always say that they want democracy without reservation. I have to say that this is not what I have experienced at the negotiating table.

[Raday] What could be the basis for compromise, if it is not that both sides make concessions?

[Tolgyessy] The opposition roundtable simply cannot make concessions regarding the conditon that there should be democracy in Hungary. Thus, there can be compromise in the details, but in my view there is no means for compromise regarding the need to realize a democratic system in Hungary. I believe that the MSZMP, as a party, virtually with certainty, could not obtain an absolute majority in the elections.

However, there is a person who could obtain an absolute majority, as an individual. I could imagine that if for no other reason, the MSZMP would break off negotiations of this.

[Raday] The issue, owing to which negotiations in one of the committes were broken off, was the property relations of the MSZMP, that is, the distribution of this property. What is the view of the MSZMP on this? Gyorgy Fejti.

[Fejti] That working committee is discussing the party law. The agreement over which there is debate would be on the need to create a legal regulation for the operating conditions of political parties so we feel that we have no cause to make a property statement, here, in front of this political (?forum).

[Raday] Regarding what you say, I do not understand that you would discuss the conditions in which parties would operate, but why do property issues not belong among the conditions of operation? There are material conditions, very tough material conditions to the functioning of parties.

[Fejti] That is exactly so. Our stand is that every party that operates amid legal frameworks and which has gone through a registration procedure, must create the elemental conditions necessary for its operation. The only issue is that we believe there is no direct interconnection between the MSZMP's property situation and the operation of the recently founded parties.

[Raday] I refer to what you, too, have said, and with which you, properly speaking, have rejected the opposition roundtable's demands to this purpose, that the MSZMP acquired its property through legal means, and that it is obligated to account for it only to its membership. The path for legally acquiring property which was

open to the MSZMP. 40, 30 years ago, and even since then, now is not open to the other parties and organizations. That is, if they were to progress along this path, it would not be legal.

[Fejti] Frankly speaking, I do not understand you.

[Raday] If we go over the MSZMP's real estate, this ended up in state property, once, through nationalization, in part, and as state property it ended up in the MSZMP's hands. What has been built since then has been built, I imagine, on state real estate, and even with great efforts at imagining so, I cannot believe this has been built out of membership dues. Rather, it has come out of budget allocations.

[Fejti] They have been built from several sources. One source is the membership dues. Another source is the taxed income from the party's enterprises. The third source is budget support, which, by the way, the National Assembly has determined. The property has come about from these sources, with the exception of a very initial and early period, the period after nationalization, when real estate was credited to several parties, and thus, to the MSZMP too. It is in the interest of the MSZMP for its property situation to be clarified, and insofar as the law decrees that the registration of the party be bound to making a property statement, it will do this. But I believe that the MSZMP does not have to render an account of its property amidst the framework of the trilateral talks.

[Raday] Peter Tolgyessy, the alliance of free democrats.

[Tolgyessy] This year, half of the MSZMP's yearly budget, last year more than half, stemmed directly from the state budget. This year's budget plan earmarked one milliard 46 million forints; this was later reduced to 940-odd million forints. To say that one is not bound to render an account for this to anyone is a typical party-state kind of opinion. It means that the state's public affairs are the MSZMP's private affairs. It was astonishing for me to hear this from Gyorgy Fejti, since every Hungarian citizen has something to do with what happens with state property, and for what the state budget's money, the taxpayers' money is spent.

Our opinion is that the new organizations cannot demand that further resources be reassigned for political expenditures.

[Raday] So society cannot bear the burden of the changes.

[Tolgyessy] Exactly. One thing can be done, for all that: The existing means can be redistributed. The sums which the state budget annually distributes among the various political organizations, most of which are the MSZMP's partner organizations—for example DEMISZ [Democratic Hungarian Youth League] gets 700 million forints yearly, the [patriotic] people's front gets 300 million, and so forth—must be entirely distributed anew, and not after the elections, but before them. If this does not happen, there simply will not be free elections.

The situation with the property is slightly different. We demand that there should be a ban on selling. What is happening is that the MSZMP and its partner organizations, often are selling, for money, property objects which they handle alone.

[Raday] That is, they are objects owned by the state.

[Tolgyessy] Exactly. Not so long ago, DEMISZ sold its own headquarters for some 700 million forints. To my knowledge, from this, 100 million forints were to some public purpose, but it will utilize the remainder. This ought to be prevented immediately. In my view, the opposition organizations have a rightful claim to obtaining a minimal infrastructure. [end recording]

Pozsgay Sees Positive Changes, Reforms Happening

LD0708014689 Budapest Domestic Service in Hungarian 2200 GMT 6 Aug 89

[Text] Imre Pozsgay has declared that at home, one of the most important elements of the changes which have been going on for 4 years is that those exercising power do not now see publicizing one's interests as the exclusive right of the authorities. The member of the Hungarian Socialist Workers' Party Presidium gave a speech at the mother tongue conference which has just opened in Kecskemet. Among the characteristics of restructuring he listed the fact that, at the initiative of the party, the notion that the individual freedom of man can be sacrificed for an illusory, unattainable goal is being abolished.

He went on to say that nowadays, more and more people recognize that the crisis which has developed should be seen not as a catastrophe, not as a threat, but as a demand for change.

Imre Pozsgay denied the view that apart from a change in approach, not much else has happened. He said that today the government openly takes responsibility for Hungarians living abroad, and that the content and sense of the term "emigres" had changed, too.

Shares Traded in West Europe for First Time

AU0408185089 Vienna DIE PRESSE in German 4 Aug 89 p 7

["f.w." report: "Hungarian Shares To Be Traded in the West for the First Time"]

[Excerpt] Novotrade AG will be the first Hungarian enterprise to place shares in West Europe. Austrian Girozentrale bank (GZ) will act as agent for investors. The shares will be made out in the name of GZ. On 15 September, the end of the subscription period, the shares will be included in GZ's over-the-counter market.

As was declared at a news conference, a total of 40 shares with a nominal amount of 250,000 forints will be offered at an issue price of 325,000 forints (75,277 schillings) in the course of raising the capital from 162.5 to 172.5 million forints. In case the demand is higher, which is expected, the capital is to be raised by another 20 million forints, and thus another 80 shares can be placed on the market.

By including foreign capital, Novotrade will be transformed into a joint venture. Gabor Renyi, director general of Novotrade, said that, apart from considerable tax advantages, the enterprise's reputation will also be improved. [passage omitted]

Decree Issued on Foreign Currency Loans
LD0508171489 Budapest MTI in English
1647 GMT 5 Aug 89

[Text] Budapest, August 5 (MTI)—Under a decree by the president of the National Bank of Hungary, the financial institutes authorized to handle foreign currency transactions can now grant foreign currency loans in convertible currency to Hungarian legal entities, economic partnerships and private entrepreneurs.

These loans will mainly be granted to develop the production of export articles, to replace imported products, export-related commercial activity, and to finance foreign economic ventures.

The measure is part of the decentralization that has begun in the area of foreign currency operation. However, progress is sluggish, explained by the country's considerable indebtedness, and that foreign creditors react sensitively to all steps that affect the foreign currency monopoly of the National Bank of Hungary. At the same time, furthering the economic reform necessitates that commercial banks receive greater independence in foreign currency operations, that ventures receive the necessary sources with the least possible administration and within the shortest possible time. Further liberalization steps are thus expected in the decentralization of foreign currency operations, but the pace is not expected to speed up.

Free Democrats Want TV Coverage of Parliament
LD0308202189 Budapest MTI in English
1652 GMT 3 Aug 89

[Text] Budapest, August 3 (MTI)—The Federation of Free Democrats (CZDSZ), in a statement published through the national press service, considers Hungarian television's decision to terminate the live coverage of parliamentary sessions because of financial difficulties, as a further attempt at violating openness. The SZDSZ rejects the decision and demands the continuation of a full time live coverage of the sessions held by the main body of legislation.

'The slow democratization of Hungarian public life has coincided with the process of making the work of all MPs [members of parliament] accountable to the public,' says the statement, which regards the live broadcasts from parliament not as TV programmes but as public sessions every Hungarian ci izen is entitled to. The SZDSZ statement expresses the doubt that the termination of live broadcasts could in any way be justified by economical considerations.

Recall Vote Forces Mayor Gally's Resignation
LD0508201589 Budapest MTI in English
1835 GMT 5 Aug 89

["Voters Recall Mayor of Bekescsaba"—MTI headline]

[Text] Budapest, August 5 (MTI)—A vote was held on Saturday in Bekescsaba on whether Mihaly Gally should continue on as council chairman or not. The voters decided, with a large majority, to recall Mr Gally. The vote was initiated by the local FIDESZ (Federation of Young Democrats) organization, after collecting the necessary number of signatures, as charges were brought against the council chairman of Bekescsaba by the Bekes County Public Prosecutor's Office in the local soccer bribery scandal. The HSWP [Hungarian Socialist Workers Party] Committee of the city distanced itself from Mihaly Gally, and proposed that he voluntarily hand in his resignation.

Peasants' Group Demands Moral, Legal Restitution
LD0608045189 Budapest Domestic Service in Hungarian 1730 GMT 5 Aug 89

[Excerpt] The newly formed interest-protection organization, the Smallholders' Party, which was founded in April under the name of the Hungarian Peasants' Association, announced a rally for today in Hajduszoboszlo. As the leaflets proclaimed, those who were invited and expected were people who once were stripped of their own or their ancestors' lands, whose animals were seized, whose lofts were emptied.

The people who came primarily were well on in years, but representatives of the younger generations were also present. It was said they had been compelled to endure much humiliation in the past 4 decades. Then, it was proclaimed: the Hungarian peasantry has not renounced its property; it does not consider the formation of agricultural cooperatives to be acceptable, and it calls the lists of kulaks illegal. For this reason, they demanded the moral, legal and material rehabilitation of the peasantry. All this was in the appeal they adopted.

It should be noted that the leadership of the Peasants' Association, which considers itself legitimate, disassociated itself from the rally; indeed they withdrew recognition of one of the organisers. [Passage omitted]

New Party To Promote Family Health, Protection

LD0308224389 Budapest Domestic Service in Hungarian 1630 GMT 3 Aug 89

[Text] A new political organization has been formed under the name Hungarian Health Party. The movement, which declares a radical political program, has been founded by the members of an association which considers its main aim to be a sound and healthy life, and the protection of the family. The new party demands, inter alia, Hungary's guaranteed independence, the regrouping of defense industry expenditure to social purposes, the review of the pension system, a settlement of the status of Transylvania, even as an independent federal state. The party urges measures to help the health of the population and promote good general mood.

Involvement of Imre Nagy in Tsar's Death Denied

LD0608042889

[Editorial Report] Budapest Domestic Service in Hungarian at 1400 GMT on 5 August carries on its regular "168 hours" program a 10-minute report on a recent article in a Soviet periodical.

The announcer begins by saying: "Recently, a compromising article was published in the Soviet Union, in the periodical RODINA, regarding a figure of Hungarian history who was only belatedly allowed to shine. Valeria Toth has asked historian Miklos Kun about the truth of the allegations."

Toth begins his interview by saying: "A lengthy article was published in last month's issue of the Soviet periodical RODINA about the execution of the Tsar's family, and this article reports as a virtually certain fact the allegation that Imre Nagy took part in the execution, that is, that he was involved in the murder of the Tsar's family. Historian Miklos Kun, what might have given grounds for this supposition; how did it occur to the article's writer at all to mention the name of Imre Nagy in this connection?

Miklos Kun responds that Tsar Nicholas II and his family were executed on the night of 16-17 July 1918. An investigating committee was then formed which operated for nearly 2 years. The investigating judge then moved to Harbin, and thence to Paris. After the civil war ended, no one was interested in the results of the investigating committee. Most of the original documents, photographs, notes, confessions, went astray. The investigating material was published last year in the Russian language in West Germany. "Among the original sources, nowhere appears the name of Imre Nagy, who was born in Kaposvar in 1896, and who ended up in Russia as a prisoner of war. That much is fact," Kun adds.

Toth asks: "Then what might be the reason that the Soviet journalist, the correspondent of RODINA mentions the name of Imre Nagy, and emphatically links it with the murder of the Tsar's family? Kun says: "It should be known, regarding the periodical RODINA, that it represents popular-national ideals, chauvinism. And as in innumerable other cases regarding foreigners, the author here is guided by a conscious intent to discredit. At the cost of several slips, he has managed to build a bridge between the person of Imre Nagy and the execution of the Tsar's family. According to one of the lists—which, I emphasize is not verified and not authentic—a unit comprised of Hungarian internationalists was stationed in Ekaterinburg, and staying in the Tsar's last home, the [word indistinct] house, were the following Hungarians from this unit: Lajos Horvath, (Ansen Fischer), Emil Fekete, Andras Veres, and a certain Imre Nagy, who I emphasize, is scarcely the same as the Imre Nagy who later entered history. It was another prisoner of war.

"However, in the course of slipping-up, the comment in the periodical RODINA says the following, I quote: 'If the chairman of the Hungarian People's Republic Council of Ministers really took part in the execution of the Romanovs and their entourage, then the person responsible met a terrible fate. He was hanged in the courtyard of a Budapest prison immediately after the 1956 rebellion in Hungary was crushed.' Put in straightforward terms, it was God's punishment of Imre Nagy. Fate caught up with him for the excution of the Romanov family."

Miklos Kun then notes that it is quite curious in 1989 to read expressions such as "Hungarian rebellion" and the crushing thereof, and about fate catching up with him. Moreover, what the RODINA author writes is contrary to the facts. According to a questionnaire Imre Nagy filled out in 1920, which he handed to the party organization when he was joining the Bolshevik Party, he was near Irkutsk, in eastern Siberia, during the time in question, the summer of 1918. Moreover, not long after the Tsar's family was executed, the person who led the execution made a detailed list of people who took part in the execution. Not one Hungarian prisoner-of-war figured on this list. Miklos Kun concluded with some general comments on historical works concerning the death of Tsar Nicholas II and his family.

Foreign Ministry Condemns Murder of Col Higgins

LD0408213489 Warsaw PAP in English
1603 GMT 4 Aug 89

[Text] Warsaw, Aug 4—Foreign minister's press spokesman Stefan Staniszewski conveyed a statement to PAP concerning the murder of U.S. Col. William Higgins:

Here is the text of the statement:

Polish public opinion received the murder of the earlier kidnapped U.S. Col. William Higgins by Lebanese terrorists with disapproval and condemnation, like all other acts of kidnapping.

Poland knows too well what violence means from its own past and that is why it comes all the more firmly against terrorism in all its forms and signs. We think that there cannot be any justification for any acts of terror and disposing of people in such a way as it took place in Lebanon.

Finance Official on U.S. Polish Aid Decision

AU0408152589 Warsaw TRYBUNA LUDU in Polish
28 Jul 89 p 6

[Text] PAP—The recent U.S. House of Representatives decision (which still needs to be passed by the U.S. Senate) granted to Poland the sum of $10 million for the development of the Polish private sector. This decision, when seen in the light of the promises made by U.S. President George Bush during his recent visit to Poland—where he talked of $100 million for the Polish private sector—has given rise to various comments. There are comments, among others, that his promises were too ambitious. A PAP journalist asked Wladyslaw Czulno, director of the foreign department of the Ministry of Finance for his comment.

[Wladyslaw Czulno] The position of the House of Representatives cannot be the basis on which one should assess President Bush's offer of aid. Those funds come from the U.S. budget which is passed in October of the previous year. The U.S. budget for the current year does not contain any provisions of aid for Poland and Hungary, and the cast-iron principle is that this is never exceeded. This principle binds both the U.S. Administration and the U.S. legislative bodies. The present help being given to Poland and Hungary has come from the budget expenditure voted for this current year.

The above decision, thus, does not conflict with the scale of help envisaged by President Bush for Poland, if the sums for this aid are voted in the U.S. budget for next year. It is worth mentioning that in accordance with U.S. legislative procedure the draft bill must be proposed by at least one congressman, or better still, by a group of congressmen. Thus, President Bush has to gain support from the members of the House of Representatives for his proposals.

From the information we have received from the United States, the question of the best way of aiding the private sector in Poland has not been finally decided. There is talk of forming a Polish-American fund which would have a legal character in the United States. Such a solution has many advantages. First, this fund could be increased by advances of capital from businessmen who are interested in trading with Poland. Second, the investment of sums from the fund, not only in Poland but, for example, in profitable enterprises in the United States, could also bring income for the fund. An open formula for the fund would be particularly important if one takes into consideration the possibility of contributions being made to the fund by Americans of Polish descent.

One can understand the impatience with and the scrutiny of every decision which is related to the question of aid for Poland. These decisions have to be seen against the background of all their factors. Without a shadow of doubt it is far too early to make any assessments and generalizations in this matter.

Gen Jasinski Recounts, Assesses U.S. Visit

LD0508195589 Warsaw PAP in English
1857 GMT 5 Aug 89

[Text] New York, Aug 5—A delegation of the Polish People's Army led by General Antoni Jasinski paid a visit to the U.S. between July 29 and August 4, at the invitation from the Joint Chiefs of Staff Committee of the U.S. Armed Forces.

While assessing the course and results of the visit, General Jasinski said that the visit was a consequence of a favourable development of East-West relations and of improving Polish-U.S. relations.

It was the first official military visit in relations between the two countries. We were guests of the leaders of the U.S. Armed Forces.

I want to stress a friendly atmosphere and interest that accompanied our stay, friendliness of our hosts as well as sincerity and business-like nature of talks and meetings.

I was received by the U.S. Secretary of Defence Richard Chaney to whom I conveyed on behalf of the Polish defence minister an invitation to pay an official visit to Poland.

Apart from satisfaction from the visit which I expressed to the U.S. side I want to stress my personal conviction that the visit was conducive to the understanding of our Polish affairs and problems, to the consolidation of our hosts' views on changes taking place in Poland and her armed forces, and on our consistency in the implementation of the CSCE decisions.

I also believe that the visit would contribute to the further development of Polish-U.S. cooperation, including the broadening of military contacts, General Jasinski said.

Kiszczak Receives Parliamentarians 4 Aug

LD0408221889 Warsaw PAP in English
1838 GMT 4 Aug 89

[Text] Warsaw, Aug 4—Chairman of the Council of Ministers Czeslaw Kiszczak met here today with Deputy Chairman of the Citizens' Parliamentary Floor Group Senator Andrzej Wielowieyski and later in the day with Senator Professor Witold Trzeciakowski.

Receives Senators

LD0508085889 Warsaw Television Service in Polish
1730 GMT 4 Aug 89

[Text] Premier Czeslaw Kiszczak is continuing consultations concerning the creation of a new government. Today he spoke to senators Andrzej Wielowiejski, deputy chairman of the Citizens' Parliamentary floor group, and Professor Witold Trzeciakowski.

Receives OKP Deputy Geremek

LD0508173889 Warsaw PAP in English
1533 GMT 5 Aug 89

[Text] Warsaw, Aug. 5—Chairman of the Council of Ministers Czeslaw Kiszczak met here today with head of the citizens' parliamentary floor group OKP [Citizen's Parliamentary Club] Deputy Professor Bronislaw Geremek.

Also today Premier Kiszczak met with vice-chairman of the OKP Deputy Jacek Kuron as well as with Deputy Ryszard Bugaj.

Kiszczak Letter to Sejm Marshal Published

AU2807171889 Warsaw TRYBUNA LUDU in Polish
26 Jul 89 p 4

[PAP-attributed "text" of letter from General Czeslaw Kiszczak, minister for internal affairs to Sejm Marshal Mikolaj Kozakiewicz]

[Text] To the Marshal of the Sejm of the Polish People's Republic, Citizen Professor Mikolaj Kozakiewicz.

During the Sejm debate on 10 July in connection with the answer to a parliamentary question related to the action of the security forces in breaking up a demonstration organized by the Confederation of Independent Poland in front of the parliament building on 4 July, Sejm Deputy Tadeusz Kowalczyk from Kielce Voivodship said the following: "Since the imposition of martial law, the Ministry of Internal Affairs has been responsible for dozens of, that is, almost 100 political killings. In the Kielce Voivodship we have had such instances, and I am not talking about the well-known cases. Society was frequently told that these were unfortunate accidents, or cases of suicide. I am the chairman of the Commission for Respect for the Law and Intervention of the National Council of Farmers "Solidarity" and hear of many such sinister cases which relate to the Ministry of Internal Affairs."

After this pronouncement and during the continuing debate, Zbigniew Pudysz, undersecretary of state at the Ministry of Internal Affairs, requested that Sejm Deputy T. Kowalczyk make known the facts which could substantiate his accusations. He also suggested a meeting.

Deputy T. Kowalczyk has not replied to either of these two propositions either immediately after or since that Sejm session almost 2 weeks ago.

He has not forwarded any further information or materials in this respect to the Prosecutor' Office or the Ministry for Internal Affairs.

The above-cited words contain very serious accusations against the Ministry of Internal Affairs. The Sejm debate was nationally televised and reported in the press. The gravity of these public allegations makes it imperative that I request you, Marshal, to persuade Deputy T. Kowalczyk to make known to the Prosecutor General of the Polish People's Republic all the facts known to the deputy, which require speedy clarification and which can substantiate the accusation of crimes which have been leveled against the functionaries of the Ministry of Internal Affairs.

With respects
Czeslaw Kiszczak

Jaruzelski Sets Dates for Senate Elections

LD0408092589 Warsaw Domestic Service in Polish 2200 GMT 3 Aug 89

[Text] President Wojciech Jaruzelski has decreed a by-election in the Piotrkow Voivodship to fill the vacant Senate mandate left by the late Senator Grzegorz Bialkowski. The president has set Sunday, 8 October 1989, as the by-election date and has also set the election timetable that specifies the deadline for proposing Senatorial candidates to the voivodship electoral commission for 13 September this year. Senatorial candidates to the voivodship electoral commission for 13 September this year. Senatorial candidates can put forward their election agents until 28 September this year.

Jaruzelski, Rakowski Congratulate Castro

LD0108120589 Warsaw PAP in English
1217 GMT 25 Jul 89

[Excerpts] Warsaw, July 25—[Passage omitted] President Jaruzelski and Prime Minister Mieczyslaw F. Rakowski sent a congratulatory message to Fidel Castro Ruz, first secretary of the Central Committee of the

Communist Party of Cuba, president of the Cuban Councils of State and of Ministers, to mark the anniversary of the 1953 revolution. [passage omitted]

Rakowski, Siwicki Hold Talks With Army Activists

LD0508200189 Warsaw PAP in English
1753 GMT 5 Aug 89

[Text] Warsaw, Aug 5—PUWP [Polish United Workers Party] activists of the Polish Army held a debate here today. Present was PUWP Central Committee First Secretary Mieczysław F. Rakowski.

The meeting discussed problems of the development of the situation in Poland, and in this context political, social and economic reforms taking place in this country. Participants in the discussion said the Polish Army was a force that actively supported reforms. They stressed the care for the state of Poland's defensive system with regard to internal and external conditions.

Mieczyslaw F. Rakowski expressed his thanks to all PUWP members and candidates in the Polish Army for their active participation in solving many social and military problems.

The meeting was attended by PUWP Central Committee Political Bureau member and Polish Defence Minister General Florian Siwicki and Political Bureau member and PUWP Central Committee Secretary Leszek Miller.

New Deputy Defense Minister Appointed 30 Jul

LD3007111189 Warsaw Domestic Service
in Polish 0600 GMT 30 Jul 89

[From the "Sunday to Sunday: Review of the Week's News" program]

[Text] The chairman of the Council of Ministers, on a resolution from the defense minister has appointed General Jerzy Skalski to the post of deputy minister of national defense.

Orzechowski Describes Sejm Work to Electorate

LD0308223289 Warsaw PAP in English
1815 GMT 3 Aug 89

[Text] Koszalin, Aug 3—Political Bureau member and head of the [Polish United Workers' Party] PUWP Sejm deputy floor group and deputy of the Koszalin region Marian Orzechowski met his electorate in Koszalin and Kolobrzeg today. They discussed the most important questions concerning Poland's fate and voters often asked about the role of the opposition in the Sejm.

The present parliament is completely different from the previous ones and it determines Poland's destiny, Orzechowski said. New customs start shaping in the Sejm. They mean difficult education and difficult talks with the opposition, that is, with people who were harmed and persecuted, and it is difficult for them to overcome rancour. But one should talk with them, contend and perhaps even quarrel. It is important to reach agreement as Poland's welfare is the most important stake.

Answering other questions, Orzechowski said that the PUWP deputy floor group would strive at further democratic changes. In the coming future, it will propose to set up by the Sejm an extraordinary committee to draft a new constitution. The floor group will also strive to swiftly adopt a law on political parties by the Sejm, as the need to adopt it was envisaged already by resolutions of the 10th PUWP Congress.

Transportation, Communications Strikes Continue

Workers Demand Higher Wages

LD0408205289 Warsaw PAP in English
1841 GMT 4 Aug 89

[Text] Warsaw, Aug 4—A wave of protests and strike actions among railwaymen and communications staffers is unabating.

The one-hour work stoppages were organized at the railway workshops of the Silesian district management today. The district protest committee decided that unless a positive answer was given to the railwaymen's wage and welfare postulates by noon of August 5, a protest action consisting in stopping the traffic of passenger and goods trains would be staged from the noon till 1:00 p.m. The action will not cover trains with holiday campers on the entire network covering the Katowice, Bielsko-Biala, Czestochowa and part of the Opole Voivodships.

A protest action, without stopping work, is under way among railwaymen of the Pomeranian district management of state railways. Warning strikes, consisting in the four-hour stoppage in the running of commuter trains in Gdansk, were staged in the northern district management of state railways today. Railwaymen from the lower Silesian district management in Wroclaw also announced a one-hour warning strike for tomorrow.

Bus drivers of the state bus transport enterprise (PKS) in Zielona Gora and Nowa Sol staged a sit-in strike today, sympathizing with the working crew of Poland's PKS branch in Walbrzych.

Staffers of the Legnica post and tele-communications office started a strike this morning. Legnica was disconnected from the telephone and telex network.

A strike alert is continued in all post and tele-communications offices in the Wroclaw voivodship.

Strike Continues in Zielona Gora

LD0708091389 Warsaw Domestic Service in Polish 0500 GMT 7 Aug 89

[Text] Polish Motor Transport [PKS] bus stations have been closed in most towns in the Zielona Gora Voivodship for 5 days now. A sit-in strike is in progress. As we have been informed, this is a solidarity strike with the departments that are on strike in Walbrzych. Drivers and mechanics are demanding significant wage increases. Local PKS managements lack such financial possibilities. The effects of the strike have also touched many other enterprises—several thousand people cannot get to work. Solidarity in Zielona Gora has also adopted a stance on this strike. Recognizing the justness of the strikers' demands, and in light of the social and economic situation, it has simultaneously proposed a change in the form of protest from a sit-in strike to a strike alert, especially as talks on this subject have been announced for today in Warsaw between an inter-ministry commission and representatives of the PKS work forces. Such a variant has not, however, been accepted. The strike continues.

Legnica Workers Continue Strike

LD0508164689 Warsaw PAP in English 1500 GMT 5 Aug 89

[Text] Warsaw, 5 August the PAP agency reports:

The trains stopped today (with the exception of international, children's holiday, and special trains) between 1200 and 1300 warsaw time on the Silesian and Lower Silesian district lines of the Polish State Railways. Depots and repair workshops were not work operational in the Lower Silesian district.

The strike by communications service personnel in Legnica voivodship is continuing; not a single post office is working there. Telex machines are turned off. Local administrative bodies and establishments and enterprises are deprived of telephone communication. Only private subscribers telephones are working.

Workers End Strike 6 Aug

LD0608175789 Warsaw Domestic Service in Polish 1700 GMT 6 Aug 89

[Text] The strike by telecommunications and post office workers that has been going on since Friday in the Legnica region has ended with the signing of an agreement on wage matters between the strike committee and the management of the voivodship Post, Telegraph, and Telephone Enterprise in Legnica. Today, all telephone and telex lines were reopened. The post offices open on Sundays also reopened.

The strike at the truck plant in Starachowice has ended with the attainment of an agreement on matters of wages. Other postulates are still to be considered.

To date, successive appeals by the Management and Workers Council of the Stomil Rubber Industry Enterprise in Grudziadz to the striking work force to resume work have been fruitless. The work force was presented with a detailed analysis of the economic situation of the enterprise. The impasse in the talks was deepened as the proposed wage increases draw on the capital reserves of the enterprise and do not satisfy the Stomil work force.

Refama Occupation Strike Suspended Until 30 Sep

LD2907015389 Warsaw Domestic Service in Polish 2100 GMT 28 Jul 89

[Text] This evening, the occupation strike at the Refama engineering works in Rybnik was suspended until 30 September. The wage postulates of the workforce were fulfilled in the framework of the existing financial possibilities of the enterprise. The postulate of the change of main director will be considered through normal channels after the compilation of a concrete list of complaints. It is appropriate to add that as a result of the 4-day strike, the losses of the enterprise caused by the stopping of production alone have come to over Z360,000,000.

Dubcek Interviewed for Solidarity Press

AU0408150489 Warsaw GAZETA WYBORCZA in Polish 28-30 Jul 89 p 6

[Interview with former CPCZ first secretary Alexander Dubcek by Solidarity activist Jan Litynski in Bratislava on 24 July]

[Text] [Litynski] What do you think of the changes in the USSR that are associated with the name Gorbachev and the word "perestroyka"?

[Dubcek] I think they are essential and inevitable. However, they are taking place too late, and too much time has been wasted. The system of dogmatic stereotypes has held creative thinking in a straitjacket of security. Times are different today. The tragedy is that the Soviet party and state leadership did not see or did not wish to see that the capitalist world was changing and that the whole of politics had to be changed. Therefore, a political and economic reform of socialism is essential.

In the Soviet Union, the heritage is frightful. I welcomed what is happening there now, and support it to the best of my ability. The Soviet reforms are having a positive effect on changes in Czechoslovakia; without these reforms, these changes might have ended in bloodshed. Of course, we still do not know everything. We still do not know the way. All we know is that we have to look for it, and that is a lot for the beginning. (In the past, we were under the impression that there is only one road and that we all have to take it. That was wrong. A lot is changing today. Something new is emerging, and that is good).

[Litynski] Why are there no such changes in Czechoslovakia?

[Dubcek] The government and party have adopted reform theses, but everything is superficial. There is no concrete action. There are discrepancies between words and deeds. Society will not be regenerated unless we look the truth in the eyes. What does that mean? It has to be admitted officially that on 21 August 1968 our allies from five socialist countries forcefully brought about a change in Czechoslovakia's political course. The Program of Action was rejected, and the reformers were removed from every sphere of life.

A period of so-called normalization began. It led to society's moral and political degradation. Perhaps our previous plans and achievements were not ideal, but their path was correct. The military intervention was illegal. Everyone knows that. However, it should be admitted officially, in accordance with the documents from that period that exist—the stance of the Presidium of the Czechoslovak Communist Party [CPCZ] dated 21 August 1968, the statements by the government and parliament, and the statements of political parties.

Therefore, if people talk about restructuring in Czechoslovakia today, and at the same time they insist that the intervention was necessary and justified and that the policy of normalization and consolidation over the past 20 years was equally justified, there is no question of achieving any progress. How can we tell today's 30-, 40-, and 50-year-olds, who were 15, 20, or 30 years old then, that the real events were completely different from the way they remember them? This truth must be admitted officially. Apart from that, thousands of people still cannot work in their professions—journalists, artists, scholars, doctors, engineers, and so on. Even their children have no chance of an education. Thousands of human tragedies are hidden behind this. The damage must be repaired, otherwise there can be no progress.

[Litynski] In Poland we had a roundtable discussion. That was a historic and very important meeting of people who had been in a state of war for the previous 7 years—a war that was sometimes cold and sometimes hot, but a war nonetheless. We went through prison and disappeared underground before we sat down at the roundtable. How do you view this process?

[Dubcek] I must go back in time a little. Under Gomulka's leadership, the Polish United Workers Party [PZPR] did not want to comprehend the Czechoslovak changes 20 years ago. The problems you solved at the roundtable discussion could have been solved much more easily and effectively 20 years ago in both our countries.

However, it did not happen that way, and the subsequent years brought people so much suffering, troubles, and tragedy before one could sit down at a roundtable at last. How was such a thing possible in the 20th century, in a nation with such culture? Where does the mistake lie? I think it lies in the fact that the Polish party leadership of the time tried to solve every problem the Stalinist way—by force. And that is not socialist policy.

That is why I observe with joy what is happening in Poland today, although I have to say at the same time that it is a pity so much time has been wasted. The memorial to the dockers killed in Gdansk did not have to be erected. After all, for 20 years there have been voices among society and in the party itself demanding changes. However, the authorities believed that with the help of the fist, the cudgel, and the gun, the people could be kept in blind obedience.

That is a tragedy. New roads are being sought in Poland, Hungary, and other countries. That is a difficult task for "Solidarity," the PZPR, the government, parliament, and the whole of society.

It is necessary to create a program of economic reforms and implement it quickly. Today it is necessary to carry out construction in Poland, so that people can see that a new life is being created and a new Poland established, so that they can once again have confidence in the fact that life will be better for them. That is a greater responsibility than mere criticism.

One must shoulder the responsibility for creating room to maneuver for "Solidarity." I hope it works out for you. One must find a way out of the present situation together with the PZPR, for the PZPR contains people who understand the need for reform. Whether or not they are a minority, their voice must be heard. I wish the Polish parliament, "Solidarity," the PZPR, and most of all the Polish people success, and I believe it will come.

[Litynski] Thank you. We invite you to Poland.

Walesa Statement on Talks With Jaruzelski

AU2807173789 Warsaw TRYBUNA LUDU in Polish 26 Jul 89 p 2

[Statement made to PAP by Lech Walesa following his consultations with President Jaruzelski in Warsaw on 25 July]

[Text] Lech Walesa, chairman of "Solidarity": My talk with President Jaruzelski was very interesting. We touched on many matters. I must say that I do not envy the president. He has a lot of pressing problems. Our outlooks on matters of the premiership, or the government are completely different. The general still holds to the idea of a "grand coalition" and from his point of view he is right to do so. We as the opposition are also right. It is difficult to reconcile these two positions. I am concerned by the economic situation, the difficulties and mounting problems in the labor sphere. But this is a problem for the government which has many other problems to solve. In any case we talked about a need for a body, which in spite of reservations it may have toward the government or the premiership, will watch over the

Polish way toward reforms. Such a body should rise above our differences and protect the road of reforms against any dangers that may appear. This is the general's suggestion, with which I agree. Poland needs such a body. It is also important that two people who have something to contribute in this matter should watch over the Polish road toward reform. It is the president's responsibility to chose the premier not mine. At the moment the president is making his mind up and is holding consultations. As usual it is difficult matter. But I think that some acceptable solution will be found which may even surprise a lot of people.

We have to proceed along the evolutionary road. Where will this road lead us? We shall certainly reach a very interesting Polish model of economic and political solutions which should please all people.

The body I was talking about would unite all social forces. It would be something resembling the Patriotic Movement for National Rebirth [PRON] without being PRON. Today, there are other social forces which could watch over the implementation of the agreements and reforms. We need such a body because our political pluralism and the Sejm are not yet adequate. We have noted the necessity to create something which would unite all Poles. Look for example how other things have fallen apart; PRON, the Front for National Unity, and many other things. We have to rebuild something which will lead Poland toward reform. At the same time, Poles would have to pay attention to this body and understand that if this body advised on something, then its advice would have to be followed. Not because of force or persuasion, but because of political argument and faith in the people who would comprise such body. During our 2-hour talk, if it were measured, we each talked for about an hour each and listened for an hour. This was an exploratory discussion, of course. During our discussion I handed the president a statement which explains my position.

From the president's point of view a broad coalition would have more impact in Poland and in the world. This is correct and the president is right on this point. We, on our side, also feel that we are right. We are not going to take responsibility for the things that are ailing. The country needs to be guided through a period of reforms. Later, it may happen that we who helped the country through the reforms get kicked out. I know that some people may say that we are playing with Poland. We are not doing so. We are still here, ready to help and support the government, and we shall continue to do so as long as it is heading in the direction of pluralism, reforming the country, and continues to head toward democracy. On the other hand, we remain an opposition that is closely watching that the government does not stray from the path of reforms. It will be more convenient for us to remain in opposition because we shall concentrate more on guarding the road of reforms and not other things. We are all, however, responsible for the fate of Poland. But that responsibility is directly proportional to the level of participation.

We did not specifically discuss the composition of the government. We agreed that should any need arise, I would be ready to help because I am interested in solving problems and in reforms in Poland. Unofficially, members of the Citizens Parliamentary Club have a free hand should they wish to join the government. We cannot forbid this.

The general did not reject anything ("Solidarity's" proposal to form the next government). He is considering all the options. This was an exploratory procedure and something which every president does.

Solidarity Statement on Market Mechanisms

LD2907222689 Warsaw PAP in English 2119 GMT 29 Jul 89

[Text] Gdansk, July 29—The Solidarity National Executive Commission known as KKW held a meeting here today to deal with problems connected with the introduction of market mechanisms (marketisation) to food economy and the indexation of wages. The committee released a communique to PAP which reads in part.

The Solidarity union declares itself on the side of introducing market mechanisms to the Polish economy which is a necessary part of the reform.

The KKW firmly protests against the marketisation operation in its present form. The Polish Government has not prepared this move at all.

Farmers have not been given sufficient conditions for stepping up farm production, especially animal breeding, competitiveness on the market has not been instituted because the monopoly of distribution is still there, the discomforts of shopping have not been eased in return for the end of rationing.

The proposed compensations are insufficient and out of proportion to the expected huge price hikes of basic foods. Such a situation threatens with an explosion of justified public discontent.

Further in the statement the KKW demands quick indexation as prescribed by the round table agreement, to compensate price growth in 100 per cent, and the presentation by the new government of a coherent programme for economic changes to be made under public supervision.

The Solidarity also sees the urgent need to protect farmers' incomes against the consequences of inflation. The KKW asks the OKP Solidarity Parliamentary Floor Group to seek in the possibly short time the adoption of a law on indexation respecting the union's stance, and the account of policies by Prime Minister Rakowski.

Self-Governing Trade Union Elects Leader

LD0608175389 Warsaw PAP in English
1611 GMT 6 Aug 89

[Text] Szczecin, Aug 6—Marian Jurczyk from Szczecin was elected head of a seven-person secretariat of "the agreement on democratic elections in NSZZ [Independent Self-Governing Trade Union] 'Solidarity'" (A group in opposition to Lech Walesa) at the third national meeting of participants in the agreement held here yesterday.

Participants in the "agreement" adopted a resolution which says in part: The last price-income operation called marketisation of food economy puts broad masses of workers in tragic situation.

Such situation leads to justified defence actions and understandable threat of new mass strike wave. The agreement remains at one with actions aimed at defence of the living standard of the society.

At the same time the agreement points to the fact that strikes are also a threat to the economy and must be considered as an ultimate weapon.

We call the Sejm and Senate, and especially those elected with the support of 'Solidarity' to undertake immediate political actions to change the economic policy currently conducted by Poland's authorities, the resolution states in conclusion.

13th PZPR Central Committee Plenum Resolution

AU0408141189 Warsaw TRYBUNA LUDU in Polish
2 Aug 89 p 3

["Resolution of the 13th PZPR Central Committee Plenum" adopted in Warsaw on 29 July]

[Text]

I.

The Polish People's Republic has reached a breakthrough in its history. A dangerous exacerbation of economic difficulties, the results of the Sejm and Senate elections, the opposition's participation in bodies of state authority—these are the chief features of the radical new situation.

The Central Committee confirms the correctness of the plenum's decisions.

The Central Committee approves the assessment of the elections contained in the Politburo report, subsequently expounded during the plenum floor debate. Guided by this assessment and the content of the debate and by the conclusions that stem from it, the Central Committee hereby defines the party's tasks until the 14th plenum.

II.

The most urgent task is to achieve an improvement in the economic situation.

Confirming the fundamental importance of the social ownership of the means of production for the country's economic and social development, the Central Committee expresses itself in favor of the kind of changes in ownership that will permit the best possible combination of high economic efficiency, social justice, and working people's influence over economic management.

The Central Committee considers the following essential:

—The socialization of state assets and the seeking of new forms thereof that transcend current experience, a replacement of the "enfranchisement" of state and political officials with a desirable enfranchisement of work forces, the availability of shares to workers, and the perpetuation of workers self-management;

—Legislative control over changes in ownership. In this connection, the Polish United Workers Party [PZPR] Deputies Club is asked to present an appropriate motion to the Sejm;

—A genuine equalization of the development chances and conditions for all forms of ownership, especially in the wage and taxation spheres, which have not been favorable for the state sector, and in access to raw materials and foreign currency.

The Central Committee is in favor of a continuation of the pro-market orientation of the economy. Market mechanisms must encourage a growth in production, not a growth in social ills such as companies that reap profits from speculation. A reconstruction of the economy and a disintegration of monopolies is the key to healthy market competition.

The Central Committee underlines the importance of state policy at a time when the economy is being geared to market principles and a new economic order is being established. This policy must ensure equal chances in life for everyone, everyone's right to hold employment that conforms to his qualifications, wages that are commensurate with work results, and universal social security.

III.

The PZPR Deputies Club and party bodies within representative bodies, self-management bodies, and social organizations have a special role to play in the activity and structure of the party. It is essential to define a new role for the Deputies Club and for teams of PZPR people's councillors as joint authors of the PZPR programmatic lines and as the chief pursuers of this line at the parliamentary and self-management level.

On the application of the PZPR Deputies Club, the Central Committee hereby approves the rules of this Club. The Deputies Club is obliged to:

—Present the motion to set up an Extraordinary Constitutional Commission in order to start work on a new Constitution of the Polish People's Republic;
—Present the motion to adopt a political parties act;
—Accelerate work on a communal property act.

IV.

The party will pursue the program of reform through partnerlike cooperation with the United Peasant Party, Democratic Party, "Pax" Association, Christian-Social Union, and Polish Catholic-Social Union, as well as with all legal political parties and groups that are ready for such cooperation. We will base this joint activity on the principles of equality, respect for the ideological and political identity of our partners, mutual trust, and real joint participation in the exercising of power. The coalitional alliance means joint responsibility by the partners for the implementation of previous decisions and a mutual discharge of commitments at every level of allied joint activity.

The nature and principles of coalitional joint activity and its closer and more distant objectives should be defined by a new accord.

V.

The Central Committee affirms its desire to cooperate with every trade union stream. We should be bound by an effective defense of the workers' interests, in accordance with the objective economic truths and principles of an economy that is undergoing reform.

The party's closest ally is the socioprofessional movement incorporated in the National Trade Union Confederation and National Union of Farmers and Agricultural Circles and Cooperatives. The party is joined and will continue to be joined to trade unions by links based on a common system of values, ideals, objectives, and aspirations.

The Central Committee affirms the PZPR's readiness to cooperate with remaining trade union streams, including the "Solidarity" Independent and Self-Managing Trade Union and the "Solidarity" Independent and Self-Managing Trade Union of Private Farmers. The more these organizations respect the legal order and the statutory functions of a trade union in their activity, the better this cooperation will be.

The "Solidarity" framework contains parallel currents of trade union activity and currents of political activity, including opposition to the socialist system. This makes it impossible right now to adopt a stance on whether party members may belong to this organization.

VI.

In accordance with the "roundtable" accords, the Central Committee confirms the party's readiness to cooperate with the parliamentary opposition and share responsibility with it for Poland, for overcoming the crisis, for preventing an economic catastrophe, and for ensuring domestic calm, external security, and a favorable balance of relations between Poland and the socialist and capitalist countries.

The party, which is open to all movements and currents, and which is guided by the welfare of the people and state and respects the variety of their views, opinions, and political programs, will argue with and undertake a political struggle against any action aimed against socialism and the legal order of the Polish People's Republic.

VII.

The scale and profundity of the changes that are necessary inside the PZPR requires decisions by a party congress. The Central Committee resolves to commence preparations for an earlier 11th PZPR Congress. It places the Politburo under an obligation to present an exhaustive plan of pre-congress work to the 14th plenum. This work should take into account the conclusions and demands stemming from debating clubs and other forms of party consultations that conform to the 10th plenum resolution and submitted to the Central Committee and field party bodies by party members and sympathizers.

The Central Committee stresses that a convergence of the basic interests of working people, the importance and difficulty of the tasks which the party must perform, and the need to consolidate the forces of the socialist left wing all make it particularly important to preserve and consolidate the party's unity. This is only possible under a developed internal party democracy. This democracy envisages free discussion and the possibility to reveal various political stances and trends, including the possibility to set up alternative political platforms. Neither does it rule out the rights of minorities to defend their own views.

The Central Committee expresses the conviction that the period of preparations for the 11th congress will serve to develop the party's programmatic thought, re-establish internal bonds, increase the effectiveness of activity and, in particular, win society's trust.

The PZPR Central Committee, Warsaw, 29 July 1989.

Party Committees Discuss Plenum Decisions

LD0508175889 Warsaw PAP in English 1638 GMT 5 Aug 89

[Text] Warsaw, Aug 5—A working meeting of first secretaries of PUWP [Polish United Workers Party] voivodship committees and heads of departments and

secretariats of Central Committee commissions ended here today, chaired by Political Bureau member and Central Committee Secretary Leszek Miller.

PUWP Central Committee First Secretary Mieczyslaw F. Rakowski participated in the second day of the debate.

During the two-day meeting, the participants worked out methods of implementation of the 13th Central Committee plenum decisions and discussed preparations for the 11th PUWP congress. [Warsaw Domestic Service in Polish at 1400 GMT on 5 August in a similar reports adds: "There was also discussion of party organization tasks in regard to the marketization of the food economy."]

Slisz Delivers Speech at Senate Meeting 31 Jul
LD3107130689 Warsaw Domestic Service in Polish 1016 GMT 31 Jul 89

[Speech by Deputy Senate Speaker Jozef Slisz from Rzeszow, chairman of Rural Solidarity; from a live relay of the 31 July Senate meeting held in the Hall of Columns of the Sejm building in Warsaw]

[Text] Mr Speaker! May it please the house, as a senator from the Rzeszow region, I would like to raise a matter that was discussed at the roundtable deliberations that did not receive a consensus, and I would like to raise it here in this chamber.

This is the matter of Igloopol. What is this Igloopol? It is an agricultural-industrial enterprise that has about 70,000 hectares of land and is scattered through several voivodships and tens or dozens of different types of industrial enterprises and initiatives. By virtue of the fact that the enterprise of farms, it is freed from the payment of taxes on the enterprises that it runs and partly from agricultural tax. We talked of Igloopol at the roundtable deliberations, and we wanted to have a clause about the fact that subsidies received by Igloopol for the preparation of land for cultivation should be the same for all sectors. For individual farmers too. Such agreement for this clause was not attained from the government side. We were told that everything that farms well is [words indistinct].

The head of this enterprise was and continues to be Brzostowski, deputy agriculture minister for many years, relieved from this ministry a few days ago.

A few weeks ago we found out that this enormous enterprise, with enormous social wealth, has been transformed into a stock company. Questions arise: Who estimated this wealth; what indicators were used; and why have all these details not been made public knowledge? I resolve that the matter of Igloopol and its management and all the details of the transformation into a stock company should be dealt with by the Supreme Chamber of Control [NIK] and that the results be made public. [applause]

I would like to raise one more matter from the roundtable that is not being implemented so far. The issue relates to military service. This entry reads as follows: Farmers doing basic national service and those corunning farms who have been granted alternative military service should have the opportunity to do that service at the farm at which they have been employed so far. It is appropriate to create new regulations specifying the right to defer basic military service by virtue of a farm, without the possibility of administrative provision of alternatives. These regulations should be compulsory for military recruitment commissions.

I declare the (?necessity of this). I resolve that these regulations be put into force as soon as possible by the appropriate ministries. The introduction of these regulations will make the atmosphere in the countryside regarding this problem healthy and will also contribute to the retention of many farmers on the farms.

Thank you very much. [applause]

Party Socioeconomic Commission on Economy
AU0408154389 Warsaw TRYBUNA LUDU in Polish 28 Jul 89 p 3

["Stance of the PZPR Central Committee Socioeconomic Commission on the Economic Situation"]

[Text] 1. For a dozen or so months, Poland's economic situation has been deteriorating, and recently it has reached a critical point. Industrial production in the second quarter was 2.2 percent lower than in the analogous period last year. In June, the fall in most industrial sectors reached 5 percent. The fall in output of metallurgic products is limiting supplies to the machinery and construction sectors. The fall in production of synthetic fibers accompanied by a simultaneous reduction of cotton and wool fiber imports, is causing supply difficulties in the light industry sector. The number of completed dwellings has fallen by 11.9 percent (in June alone, by 19 percent) and public utility building construction (hospitals, schools, kindergartens) has registered falls ranging from 28 to 80 percent, compared to the analogous period last year.

In agriculture, the grain and other agricultural products harvest is expected to be good. Owing to various factors the procurement of slaughter animals has dropped. In June it was 25 percent lower than in June last year. This has caused a dramatic slump in consumer meat supplies and has been an additional destabilizing factor on the entire consumer food market.

The weakening of production activity is having a negative effect on exports, which in turn reduces imports and has a negative effect on production. The volume of exports in the first 6 months was only 1.5 percent higher compared with the same period last year. There has been a marked fall in turnover of convertible currencies. As exports increased by only 1 percent and imports soared

by 19 percent, the surplus of convertible currencies fell to $167 million, which rules out any possibility of servicing the foreign indebtedness, which was already at a reduced level.

Inflation is reaching three digits. There is a general flight from the national currency to convertible currencies, or goods. The price of the dollar on the free market has reached levels which are not justified by any economic factors. As a result of the fall in the purchasing power of the zloty, there has been a marked rush into capital investment projects and panic buying by the population. All this is increasing the rate of inflation.

The financial situation of the state is deteriorating. The central budget deficit in the first half of this year was over Z3.7 trillion, that is Z2.1 trillion more than the permitted by the budget law. Almost half of the state expenditure (44.7 percent) is being covered by the printing of money which has no real value.

The relationship between money and the market is a special danger area. This danger is manifesting itself by the increasing difficulty of purchasing basic foodstuffs and industrial goods, the imbalance between supply and demand, and the increasing prices-incomes spiral. In the last few weeks, difficulties in supplying the consumer market have grown. There are now wholesale shortages of rationed meat, not to mention a lack of specific meat products. It is becoming increasingly difficult to maintain a constant supply of many other products like, sugar, cheese, fish, and grain flour derivatives. The situation worsened after the announcement of the price-income freeze. There is a shortage of light industrial articles, furniture, electrical and mechanical household durables, and televisions and radios. A vicious circle of regressive reactions has begun to operate which could bring about the collapse of the system by which the economy functions.

2. The reasons for the economic difficulties are many. The obsolete economic structures and the high foreign indebtedness, will continue to have an unfavorable effect on the economy for a long time, and will continue to hinder the restructuring of the economy and efforts to increase its effectiveness. The economy is largely inert, and the results of new economic policies and solutions only appear with some delay. The present condition of the economy, especially the relationship between money and the market, was badly affected by the failure to overcome the effects of the unsuccessful prices-incomes operation in 1988. This is still the case today. There was no implementation of policies to eliminate the prices-incomes spiral mechanism which was set in motion last year. This spiral is still with us, and with the passage of time is increasing. These conditions must all be brought into account when assessing our economic policy. They explain many of the weaknesses. One cannot ignore the fact that government initiatives and the laws passed by the Sejm, have hitherto not brought any improvement. This is borne out by the statistics and shown by practice. Against this background, it is extremely important to distinguish whether government action in the economic sphere ameliorates the situation, or whether such action may cause further deterioration and complications.

3. The commission believes that the orientation of the economy toward a free market is correct. It also notes that efforts of the government in this direction have not been been accompanied by the necessary undertakings on which the whole process was dependent, namely, in the material and the financial sphere.

The excessive rate of growth in personal incomes, in effect paper money without value, was not curbed. Necessary budgetary savings and appropriate changes in the tax system were not introduced. This led to a high budget deficit which brought other negative effects. This led to a dramatic swing in market imbalance and almost completely depleted the market. The process of making the economy free, which was initiated by the government could only have been socially and economically beneficial by a corresponding improvement in supply and demand. In practice, the gap between them widened. The introduction of systemic changes without the necessary preparation leads to either ineffective attempts (for example, the demonopolization of meat procurement), or to the withdrawal of such changes because of their negative effects such as, for example, widespread speculation in currencies.

The system of our foreign trade began to be distorted. The lack of a necessary mechanism which would regulate exports led to supply breakdowns for home industries, the fracturing of links between cooperatives, stagnation of production, and dropping supplies for the home market. Giving priority to the import of ready market goods, thus proportionally reducing the import of raw goods and materials, had a similar effect on industry.

4. Major gaps and shortcomings became apparent in the sphere of legislation. Changing the way enterprises are taxed, correct though it was, radically altered their financial situation without taking into account the real effectiveness of such a change. Because of the unfavorable conditions in the state sector compared to other sectors, this sector became highly unattractive to the labor market. This has given rise to the undesirable phenomenon, from the point of view of social effectiveness, of a continuing flow of labor from the more efficient state enterprises to enterprises that are economically less significant. Because of favorable taxation treatment and prices, these enterprises are able to offer higher pay.

Not adapting the regulations governing the formation of limited companies to the actual conditions prevailing in the economy, has given impetus to the creation of unscrupulous companies that are making fortunes by trading in materials and goods which are in short supply. The application of a more favorable wages policy to the limited companies and not the state enterprises, has at

the same time, given rise to the artificial phenomenon whereby the latter are turning themselves into companies with the sole objective of circumventing the pay limit regulations which apply in the state sector. This has become a significant factor in wage level differences (regardless of the economic effects), and one which fuels wage increase claims and social processes in many work places.

5. The liberalization of the foreign currency policy under conditions of market imbalance, the depreciation of the zloty, and lack of hard currency, could not but lead to a spectacular rise in the value of foreign currencies, and an increase in inflation, which had a disastrous effect on the situation of many enterprises. It is against this background, that destructive economic and psychological processes in society began to manifest themselves. The thesis that the liberalization of the currency market would lead to a convergence of the free-market price and the official price payable for foreign currency, proved false. All the indicators suggest that the present currency policy is one of the factors which is causing national wealth to flow out of the country, thus making the country poorer.

6. The commission was briefed on the government's draft economic program for 1989-1992, which has been presented to the IMF and the World Bank. The draft program was criticized. It was noted that the general trend of the program will continue the line of the present stagflationary policies. The draft program assumes that, among other things, prices in 1992 will be about 780 percent higher compared with 1988, but national revenue will increase by only 6 percent. Past experience shows that a policy which is based on such an assumption does not lead to the solution of the real problems in the Polish economy, but conversely, only exacerbates them. The commission believes that there are no valid reasons for accepting a stagnation of production in the next 3 years. Conversely, everything points to the fact that an appropriate economic policy could lead to a marked increase of production and a corresponding increase of national revenue.

The commission also has serious reservations about some other proposals, for example, one which proposes no modifications to the pay mechanism until 1991, when economic results clearly show that this mechanism is faulty. One cannot accept the thesis that the money supply will increase at a faster rate than prices. This will rule out the slightest chance of strengthening the zloty and its position in the economy which is an indispensable condition for the effective functioning of the market mechanism.

7. The commission fully supports the program to switchover the food production sector to a free-market mechanism as soon as possible. This must take place under conditions agreed at the "roundtable," according to the dictum "as fast as possible—as safely as is necessary." The commission especially emphasized the following:

a. The need to maintain an appropriate supply of consumer goods to the villages, and means of production for the agricultural sector, so that the increase in farmers' incomes will find a corresponding increase in goods available. With this aim in mind, it proposes a fundamental change in the structure of investments and the supply of raw materials to those industries that supply the needs of the agricultural sector;

b. The necessity to rapidly demonopolize food procurement, production, and transactions in food products;

c. The rapid elimination of bureaucratic red tape which wastes farmers' time and generally hinders their productive work;

d. The preparation of clear, socially understood, guidelines of recompensation related to the free-market increase of food prices which would apply to various socioprofessional groups (workers, invalidity and old-age pensioners, and others). What is required here is an explanation of the way the income situation will be shaped for each specific type of family;

e. The need for a strict, almost logistic way, of working out the way meat will be supplied to the large urban agglomerations;

f. The taking of immediate steps against the potential danger of meat bootleggers preying on shortages of meat and its derivative products and on the differences between regionally agreed prices;

g. The pressing need for explaining the idea of the free-market mechanism to specific socioprofessional groups.

The commission also highlighted the need for another indepth review of the state regulations applicable to food pricing. The present state regulations which set the official prices of skimmed milk, low-fat cottage cheese, the two types of bread, and baby food, are not only at variance with the current practice in other socialist countries but also differ from the principles applied in most capitalist countries, where the regulatory functions of the state in the sphere of prices includes a wide spread of staple foodstuffs (in the region of 25-30 percent of all foods).

8. The commission believes that this government's indiscriminate push to introduce a free-market, without taking actual conditions into account, was one of the major factors which aggravated the social and economic situation. A continuation of the current policies could lead to a total economic collapse and to the rejection by society of the market reforms. It is high time that essential corrections, based on economic knowledge and taking into account the real conditions, were made in the way the reforms are being implemented.

The commission supports the methodical implementation of the building of a new economic order based on the agreements of the "roundtable."

9. The commission sees the need for immediate steps to arrest and reverse the unfavorable trends in production, improve supply flow to the markets, and reduce inflation. These steps must include, among other things, the stimulation, dynamization, and the restructuring of production, the elimination of technologies and products which use high levels of energy and materials, a radical cutback in investment expenditure, the increase of budget revenues and reduction of its expenditure, the limitation of the excessive outflow of money, and the stimulation of savings. A restructuring of the macroproportions in the national economy is urgently needed in order to reduce the internal imbalance. This is essential from the point of view of encouraging initiative and enterprise, including the private sector. At the same time, it is vital to encourage the development of the necessary institutional bodies so that the market mechanism can function correctly (the creation of a raw commodities exchange, the creation of a banking-financial infrastructure, and enlarging the network of procurement). It is essential to restore the fundamental economic relations, and especially to adjust the increase in personal incomes with the increase in prices and market supply. Without reducing the pressure of pay claims and the unrestrained growth of pay increases and other sources of income, it will not be possible to achieve an improvement of market conditions. This is the key issue at the moment. The commission notes that "roundtable" calls for a conciliatory approach in the resolution of wage conflicts and disputes, has in practice largely gone unheeded.

10. Far reaching changes related to property ownership are necessary in order to restore the Polish economy. The commission supports the principle of various types of property ownership based on the dictum "let the most effective sector win." This principle can be successfully introduced only under the condition that these sectors (the state, the cooperative, and the private, and so on and so forth) can compete with one another on an equal footing. The commission recommends that economic regulations and standards are quickly prepared to address this fundamental principle. The commission believes that it is necessary and timely to consider the legal framework that will regulate matters arising from the acquisition and disposal of shares, and the problems arising from the participation in the management of such companies of people who hold official positions in the state or political administration, and who by reason of such position, have the direct or indirect opportunity to influence the conditions in which these companies function. The sale of shares of state enterprises that have transformed themselves into companies, must be organized in such a way so as to bring real income into the state budget and slow down the outflow of money required for wages. The share price must not undervalue the capital assets of the property being sold. The employees and self-governing bodies of such enterprises should be given priority in the acquisition of the shares of their enterprise. All matters related this sphere should be carefully prepared.

11. The commission is of the opinion that the directions, principles, and the extent of the changes in the sphere of property ownership, including the privatization of nationalized property, must be legally defined. The commission appeals to the Polish United Workers Party's [PZPR] Deputies Club, to raise this matter in parliament without any delay. Until the time that the Sejm adopts the required legislation, all activity which seeks to transfer nationalized property into private hands, should be frozen.

Warsaw, 24 July 1989.

Price of Alcohol To Be Raised 40 Percent

LD0708014989 Warsaw PAP in English 2005 GMT 6 Aug 89

[Text] Warsaw, Aug 6—The prices for spirits are to be raised by some 40 percent as of August 7, the Ministry of Finance announced today.

In tune with the law on upbringing in sobriety and on counteracting alcoholism, alcohol prices should grow at a higher pace than wages and other incomes.

AIDS Cases Increase; More Clinics Promised

LD3107142889 Warsaw PAP in English 1211 GMT 31 Jul 89

[Text] Warsaw, July 31—Tests carried among high risk groups show that the number of HIV carriers has recently grown to some 400 persons. 11 persons died of AIDS so far, 5 are under medical observation and undergo treatment.

More AIDS clinics are to open shortly in Bialystok, Krakow and Gdansk. Some 3.5 million including blood donors, hemophiliacs and persons of high risk groups have already been tested for presence of the HIV virus. The government earmarked this year dollars 28 million and huge sums in zlotys for fighting the disease.

Closed Spy Trial of Mircea Raceanu Begins

LD0508101789 Budapest Domestic Service in Hungarian 0430 GMT 5 Aug 89

[Text] Bucharest—The closed trial has begun of Mircea Raceanu, who is charged with spying. The Romanian diplomat formerly worked at his homeland's embassy in Washington, and then occupied a leading post as an official in the Romanian Foreign Ministry.

He was arrested 6 months ago in Bucharest, not long after his father. As one of six leading ex-communist leaders, he had criticized Ceausescu in an open letter. If Raceanu is found guilty, he could face the death sentence.

Ceausescu Chairs PEC Meeting on Economic Issues

AU0408183689 Bucharest AGERPRES in English 1737 GMT 4 Aug 89

["Meeting of the Executive Political Committee of the Central Committee of the Romanian Communist Party"—AGERPRES headline]

[Text] Bucharest AGERPRES, 4/8/1989—Gathered on August 4 under the chairmanship of the general secretary of the Romanian Communist Party [RCP], Nicolae Ceausescu, the Executive Political Committee of the Central Committee of the RCP discussed a report on the fulfilment of physical and value indicators of the plan in industry, foreign trade and investment over January 1-July 31, 1989 and in July. [sentence as received]

In connection with this item in the agenda, the prime minister, deputy prime ministers and other members of the government reported on the results of the respective period, as well as on the measures and actions taken to fulfil the plan for August and the second semester, for 1989 as a whole. It was shown that although the production growth rate in the first seven months of the year was higher than that of the same period last year, achievements were below plan provisions and existing possibilities in a number of sectors. Special attention was paid to the analysis of the causes behind the failure to fulfil export tasks for the respective interval.

Nicolae Ceausescu requested that firm measures be taken for an exemplary organization of activities in all areas, for the attainment of planned production levels.

As for investment, an area where serious lags persist, it was recommended that measures be fastly taken to step up construction-assembly operations and complete all projects under the plan at the appointed date and to put them on line at capacity.

It was also requested that utmost attention be given to the implementation of the checking and overhauling programmes to provide for an uninterrupted operation of production units at planned parameters.

The Executive Political Committee also analysed a report on the fulfilment of the plan of production costs in the all-country industry in the first semester of 1989. The Executive Political Committee stressed that action should be taken with a higher sense of responsibility to cut back on material and production spending, to render all products profitable, to make up for losses and to observe the consumption of raw and subsidiary materials, fuel and energy envisaged under the economic and financial normatives that were approved.

The Executive Political Committee examined a report on the correlation between the major indicators of work and pay and the fulfilment of the labour productivity plan in the all-country industry, construction-assembly and transport in the first semester of 1989.

With a view to integrally fulfilling plan provisions concerning the more marked growth of productivity in all branches and sectors of activity, the Executive Political Committee recommended the collective management boards in enterprises, central departments and enterprises to take energetic action to update and organize production according to the latest gains in science and technology, the judicious use of work time, the rational employment of manpower, all while bettering the professional training of the working personnel. It was requested that each unit should permanently follow the way in which planned productivity and the special programmes in that area, the correlations between work and pay are achieved, that the global and the direct agreement, in line with legal provisions, should be applied, so that the continuous growth of productivity may turn into a decisive factor for the country's overall development, for a rise in the whole nation's standard of living.

Daily Warns Against Revisionism, Neofascism

AU0408124489 Bucharest AGERPRES in English 1052 GMT 4 Aug 89

["Lessons of History: An Urge To Steady Defend Peace, To Firmly Combat the Policy of Strength and Dictate, of Neofascism"—AGERPRES headline]

[Text] Bucharest AGERPRES, 4/8/1989—It is four-and-a-half decades this month since the action of August 23, 1944, an event welcomed by the whole Romanian people with justified pride for what it meant in the homeland's history, for Romania's present achievements on the path inaugurated by that action, for the contribution made by the Romanian Army, along with the other forces of the peoples' great coalition, to the victory against fascism, for the prestige Romania enjoys today internationally. To highlight some of the lessons and conclusions resulting from the circumstances in which the Second World War started, as well as from the progress of the tremendous battle for the smashing of the most loathesome and brutal enemy mankind has ever had, is the more necessary as this year also marks half a century since the

beginning of the Hitlerite military aggression that would result in tremendous casualties and incalculable damage, SCINTEIA writes in an article in its August 4 issue.

Recalling that Romania's President Nicolae Ceausescu has recently pointed out that "we should not forget the lessons of history, should not forget what fascism was," the daily writes:

There is no people in Europe not to have dearly paid one way or another the tolerance shown to fascism, to adventurers, not to have dearly paid the lack of unity in the struggle against fascism and war.

In the light of the tragic experience of the past, the main conclusion to be drawn for the present is to do everything possible in order not to allow the outburst of another war, to most vigorously and energetically work in defence of peace and life, the peoples' ultimate asset.

Of course, mankind has been spared so far the flames of another world war, the relative balance of forces that has been striken and is maintained has allowed for peace to be secured for almost 45 years in the world, for the overcoming of a string of difficult moments, for certain, shy steps toward curbing the nuclear arming, for progress in the negotiated settlement of some local conflicts but the international situation keeps being very grave and complex. The arms race has not ceased for one moment, the world's arsenals still retain big amounts of nuclear weapons apt to destroy the whole of mankind several times over, the NATO quarters focus on the projects of modernization of various categories of such weapons, from strategic missiles to short-range missiles and the other tactical nuclear missiles stationed in Europe. To bar the way of the militarist forces, bar the way of war, of catastrophe and impose a new political thinking, a new approach to the international issues, that should definitely rule out the recourse to weapons in inter-state relations and, first of all, ban the nuclear weapons, is the primordial requirement of our time.

Banning the war from society's life requires and entails the eradication of the practices of the policy of strength, oppression and domination, of economic and political pressure and coercion, of interference in other countries' affairs, of subversion and diversion and this is yet another ardent necessity imposed by the lessons of the past. This conclusion is the more topical as we currently witness a genuine offensive of the reactionary, imperialist circles, of the big financial capital that work in various ways for the perpetuation of the current inequitable structures in the world economy that favour a most rarefied minority.

Even more grave are the actions and orientations, especially lately, that, while demagogically using the ideas of "democracy" and "freedom," of "human rights"—rights that are permanently violated by their advocates in their own countries—pursue destabilizing purposes, aim at upsetting the political life of some countries, socialist included. By assuming the role of judges or arbitrators, those circles do not hesitate to get involved in most overt and brutal interference, in issuing good conduct certificates, making promises and hinting at sham advantages contingent upon possible changes in some states' economic and political structure that can be briefly termed as a relapse to the market economy.

Experience proves the profoundly harmful effect of such practices and actions, which envelop the political climate in Europe and the world over, leading to tension, resulting in dangerous developments for peace. More than ever before, it is in the interest of mankind's peaceful development to give up the old and discredited policy of interference in other states' affairs, to work firmly and strongly against anticommunism, against all attempts to denigrate the great achievements of socialism, to disunite people and weaken their struggle for a new socialist system, for economic and social progress, for peace, as basic requirements of a new policy, in the spirit of collaboration with equal rights among all nations.

The foremost interests of peace require to reject most firmly all tendencies to bring neofacist organizations of the extreme right back to life, to give scope to nationalist-chauvinistic, irredentist, antisemite manifestations and propaganda, to trends to review or question the postwar facts, the borders set after the Second World War. One should not forget that this war could not have happened should it not have been for the leniency, passivity and indifference long shown to fascism, to the aggressive aims openly stated by the fascist leaders.

The painful lessons of the past urge people to keep their eyes open, to work most energetically to prevent the emergence of any attempts to revive the ideology of hatred for man, the ideology of aggression and war, to presently answer the political revisionist and fascist groups and trends.

European peoples, the world people should not ignore the great lesson of vigilance and unity, precisely because the war was made possible by close-door meetings and secret understandings, today unanimously disowned, such the Munich Accord or Molotov-Ribbentrop Pact, which discarded people and were against their interests, and by the fact that there was no understanding of the fact that united and solidary action was requested against the biggest danger which has ever threatened mankind.

The supreme lessons of history show that people have the power to change the course of events, to impose the new political thinking, to ensure peace, that the so serious issues in the international life cannot be solved by a small circle, by a few countries, but only with the participation of all states, of all peoples, no matter their size, potential of social system a more and more important role being played by small and medium, developing and nonaligned countries.

Development, Update of Merchant Fleet Noted

AU0508154789 Bucharest AGERPRES in English 1442 GMT 5 Aug 89

[Text] Bucharest AGERPRES 5/8/1989—Whereas back in 1965 Romania's sea-going merchant fleet included 34 vessels with a total transport capacity of 127.5 thousand DWT [DEADWEIGHT TON], today it is equipped with 280 ships, whose total transport capacity stands at 5.3 million DWT, Gheorghe Anghelescu, the head of the transport department and deputy minister of transport and telecommunications, said recently. Naval transport, which has been developed and updated at a sustained pace, has its capacity double with every five-year plan period. To this end, shipbuilding has been developed powerfully to be able to equip the Romanian fleet today with the most diverse types of vessels, which are also in demand abroad. The river-going fleet boasts, in its turn, more than 200 self-propelled ships, whose total power amounts to 263,000 hp, as well as 933 vessels with a capacity of over 1,360 million tonnes, adding to which are 55 passenger ships for more than 4,800.

With the development and updating of the merchant fleet the capacity of river ports has increased more than 5.3 times and that of the seaport of Constanta by roughly seven times, following their equipment with modern loading-unloading means and other highly productive installations. New ports were also built—Mangalia, Midia, Moldova Noua, Mahmudia, Calarasi, Orsova, Cernavoda, Medgidia and Basarabi, and the old river ports of Tulcea, Galati, Braila, Zimnicea, Turnu-Magurele and Drobeta-Turnu Severin were expanded and updated.

The Constanta Sud Port, Romania's largest and one of the biggest in Europe, was also expanded, boasting a ferry-boat terminal—Constanta-Samsun, Turkey—berths for large-capacity ore carriers, wharves and a transit port.

Recently, the 165,000-DWT ore carrier "Comanesti," the major vessel of the Romanian fleet, dropped anchor in one of the port's berths upon return from his maiden voyage.

In line with Romania's impressive socioeconomic development in the next five-year plan period and beyond, until the year 2000, with the growing transport requirements of the national economy and of export-import traffic, the merchant fleet will develop further. Inland waterways will also develop, in line with the master programme, and the volume of river transport will grow. Sea transport by Romanian ships will virtually handle all the commodities and transport services to foreign partners will expand.

Leaders' Public Appearances for 29 Jul-4 Aug

AU0508153889

[Editorial Report] Bucharest AGERPRES in English report the following public appearances of Romanian leaders during the 29 July-4 August period (date, time of each report given in parentheses):

Stefan Andrei, candidate member of the Political Executive Committee [PEC] and Ioan Ungur, minister of foreign trade, met with the Moroccan Phosphate Office chief, in Bucharest on 3 August. (1646 GMT 3 Aug 89)

President Nicolae Ceausescu granted an interview to NEWSWEEK, in Bucharest on 31 July (1629 GMT 31 Jul 89); on 2 August, Nicolae Ceausescu received Bulgarian Minister of Economy Stoyan Ovcharov in Bucharest (1708 GMT 2 Aug 89); on 3 August, in Snagov, President Nicolae Ceausescu received an FRG businessmen (1743 GMT 3 Aug 89), Ethiopian Minister of Mines Aytenfiso (1715 GMT 3 Aug 89), and paid a working visit to agricultural and research units in Teleorman and Calarasi Counties (1830 GMT 3 Aug 89); on 4 August, in Bucharest, Nicolae Ceausescu received the Moroccan Phosphate Office chief (1723 GMT 4 Aug 89) and chaired a PEC meeting. (1737 GMT 4 Aug 89)

Stefan Andrei, PEC candidate member, received the Ethiopian minister of mining and energy, in Bucharest on 31 July. (1742 GMT 31 Jul 89)

Radu Balan, State Planning Committee chairman, met with Stoyan Ovcharov, Bulgarian minister of economy and planning, in Bucharest on 2 August. (1643 GMT 2 Aug 89)

Irimie Catargiu, minister of mines, attended Romanian-Ethiopian government commission session in Bucharest on 31 July. (1555 GMT 31 Jul 89)

Ion Coman, PEC member, was received by Mozambican President Chissano in Maputo on 3 August. (1639 GMT 3 Aug 89)

Ion Stoian, PEC candidate member, was received by Congolese President Denis Sassou Nguesso, in Brazzaville on 30 July. (1607 GMT 30 Jul 89)

Ambassador's Departure From Washington Explained
AU0408194789 Ljubljana DELO in Slovene
1 Aug 89 p 5

[New York correspondent Mitja Mersol report: "Our Ambassador Had To Leave the United States After Sharp Orders from Belgrade"]

[Text] New York, 31 Jul—At 0800 (U.S. time) on Tuesday 1 August, Zivorad Kovacevic, our ambassador to the United States, should be sitting as the guest of honor in the dining room at the American "Capitol Hill" and having a working breakfast with some 25 prominent members of the House of Representatives and the Senate. Under the auspices of the Aspen Institute, these members will attend a conference on U.S.-Soviet relations in Dubrovnik at the end of August. However, Ambassador Kovacevic had to reject the invitation to the working breakfast, because he could not delay, not for a single day (24 hours), the execution of the order that came from Belgrade. He had to be home by yesterday. He had to report by 31 July, not a minute late...to whom?

Why did Ambassador Kovacevic have to leave Washington in the middle of his term and despite the excellent evaluation that he and his embassy recently received from our Federal Secretariat for Foreign Affairs? The answer, which has come from from our embassy in Washington, is very short: "Ambassador Kovacevic has been transfered. No, he has not been recalled. He has been transfered." And who "transfered" him? The SFRY Presidency, of course.

It is not usual for good and capable ambassadors, who in addition enjoy high respect among the leaders of the host state—and Ambassador Kovacevic certainly enjoyed such respect and prestige among the Americans—to be "transfered" in such a hurry, particularly not at a time when the relations between the states have run into a rough patch. Let us say that our state leadership had weighty reasons for such a decision. But why, then, did Kovacevic have to pack his bags in such a hurry? (It is well known that many of our ambassadors, including Kovacevic's predecessor, delayed their departure for months, although they are still considered living legends of diplomatic inefficiency.) Where and in which post in Yugoslavia is Kovacevic so indispensably needed that he had to be "transfered" with such urgency? Perhaps one should ask another question: Who was so cross with Kovacevic that it made him leave Washington in such a hurry? The SFRY Presidency? The Federal Secretariat for Foreign Affairs? Budimir Loncar? Not very likely, because Kovacevic was getting the highest marks for his ambassadorial work precisely from his "bosses."

Criticism in the Serbian Press

Why, then, did he have to leave for home so precipitately? If we wanted to answer this question we would have to search our memory a little and remember the criticism addressed to Kovacevic in the Serbian press because he was to "too helpful in assisting Janez Stanovnik to open Washington doors" last winter. Thus, he incurred the ire of Slobodan Milosevic who—as one can hear—even before that had not quite known whether "Kovacevic was one of us." Even then, after the "Stanovnik affair," it was decided that Kovacevic would have to be "transfered." (Of course, this was not decided by the SFRY Presidency or by the Federal Secretariat for Foreign Affairs.) It did not help our ambassador that a few months later he personally went to protest to THE NEW YORK TIMES because it dared to print an editorial on "violent Milosevic," and it did not help him that he wrote a letter to the newspaper, either. All in vain. The ambassador was living on "borrowed time."

Kovacevic was even less liked by "his base" (the way matters stand with these "transfers," one should finally ask since when a Yugoslav ambassador, which is to say also my ambassador, has his decisive base in one part of the country only) when, at the beginning of the month, the House of Representatives of the U.S. Congress adopted an amendment concerning the violation of human rights in Kosovo. In the opinion of his critics, Kovacevic did not do enough to silence this willful Congress of 435 members which, by frowning at the situation in Kosovo, directly interfered in our internal affairs.

Rapidly Deteriorating Lack of Sense

At many meetings Kovacevic made a darned effort to persuade various congressmen (especially those supported by the Albanian lobby) of our efforts for a just settlement of affairs in Kosovo. The majority of the resolutions criticizing Yugoslavia have indeed been shelved by various congressional subcommittees, probably at least partially thanks to Kovacevic's intervention and persuasion. But the tanks and the fiasco with the European parliamentarians were much too tangible to be easily shelved. Although one has no inclination to call the United States to referee our affairs, it must nevertheless be admitted that in realistic politics every country must be prepared to accept and parry criticism skillfully. Human rights are the slogan of the day of the U.S. foreign policy, and if Washington uses them as a lever, it is of course not enough to snap back furiously and shout about "interference in internal affairs" and to "transfer" ambassadors. The easiest thing, of course, is to incite the press to get at Loncar and sarcastically ask him "what he was doing in Washington" and why he did not bang the table in Baker's office so that the Western hemisphere would shake. It is also easiest to point a critical finger at our diplomacy for all the domestic problems (this is rather an innovation in our country: until now journalists were the chief scapegoats) and if possible to "transfer" the ambassador to boot. The easiest thing, of course, is also to vent anger at the perfidious Congress, as if its amendment were the cause of all our difficulties. It is somewhat more difficult—it entails energy spent on a failed investment—to call the American defenders of Serbdom to the barricades (and it is irrelevant if they

include some who have been and still are vociferous advocates of erecting a monument to Draza Mihajlovic [leader of royalist Chetniks during World War II] in the United States). Considering that, by general consent, this lobby is insufficiently united and organized, some people in this camp have begun to point to Kovacevic as the culprit for all the injustice to Serbia and the Serbian name done in the United States.

If, in conclusion, we place Kovacevic's "transfer" in the context of American-Yugoslav relations, it is possible to say that the ambassador's "transfer" has cost us a portion of the meager stock we hold in our relations with Washington. With such behavior we merely increase the Americans' conviction of our rapidly deteriorating lack of sense.

Cuban Foreign Minister Malmierca Pays Visit

LD0608184889 Belgrade TANJUG Domestic Service in Serbo-Croatian 1613 GMT 6 Aug 89

[Text] Belgrade, 6 Aug (TANJUG)—Cuban Foreign Minister Isidoro Malmierca arrived today on an official visit to Yugoslavia.

Cuban Foreign Minister Malmierca and Federal Secretary for Foreign Affairs Budimir Loncar will have talks on the forthcoming nonaligned summit and will exchange opinions on the proposed documents for the summit which Yugoslavia, as the host, has submitted to the participants in the September meeting.

An equally important subject for the Yugoslav-Cuban talks will be bilateral cooperation, above all economic relations, which are assessed as positive.

Foreign Minister Malmierca was met at Belgrade airport by his host, Yugoslav Secretary for Foreign Affairs Budimir Loncar.

Arriving in Yugoslavia with the Cuban minister were Pedro Diaz, vice minister of foreign relations; Eumelio Caballero, director of the Nonaligned Movement directorate in the Cuban Foreign Relations Ministry, and Sidroc Ramos, director of the regional policy directorate for socialist Europe.

Talks between the Yugoslav and Cuban foreign ministers begin this evening in Belgrade.

Meets With Loncar

LD0608224389 Belgrade TANJUG in English 2055 GMT 6 Aug 89

[Text] Belgrade, Aug 6 (TANJUG)—Yugoslav Foreign Secretary Budimir Loncar and his guest, Cuban Foreign Minister Isidoro Malmierca who arrived today on a five-day visit to Yugoslavia, opened in Belgrade this evening their talks, which are devoted primarily to the preparations for the forthcoming non-aligned summit.

It has been learned that the two ministers conducted a detailed exchange of views on the drafts of the documents which Yugoslavia, as the host of the summit, has offered for the forthcoming conference of heads of state or government of the non-aligned countries, which will be held in Belgrade early next month.

Cuban supports the Yugoslav concept for the documents to be short, topical and realistic and to stress the irreplaceable role of the Non-aligned Movement in the modern world.

Cuba shares this approach, but also suggests that that the questions of narcotics, international terrorism, racism and colonialism be granted far more prominence, it was noted during the talks.

Malmierca gave during the talks an analysis of the situation in Latin America, especially in Central America. In this context, there was also mention of a special document on Central America the non-aligned summit is to adopt.

Yugoslav-Cuban talks continue tomorrow, and will, alongside an exchange of views on the summit, include bilateral relations. During his stay, Malmierca will also be received by Yugoslav President Dr Janez Drnovsek. The Cuban minister will also visit Sarajevo.

German Paper Interviews Drnovsek on Joining EC

AU0408153089 Duesseldorf HANDELSBLATT in German 4-5 Aug 89 p 9

[Georg von Huebbenet report: "Without Economic Recovery Belgrade Will Not Be Able To Consolidate Democracy"]

[Text] Ljubljana—Step by step, and to the greatest extent possible, Yugoslavia wants to establish closer ties with the EC and further improve its EC status. In an interview with HANDELSBLATT, the Slovene Dr Janez Drnovsek rejected an application for full EC membership because there are no chances of implementing such an application. However, the country wants to intensify its integration within the European Free Trade Association [EFTA] and to strive for full membership of the Council of Europe.

"Soon Yugoslavia will no longer be a foreign country for investors from Europe, because Yugoslav enterprises, banks, and other commercial institutions will also be authorized by law to base their activities on norms that are valid in the international economy," is how Drnovsek explained the European initiative of the SFRY State Presidency to HANDELSBLATT. The president stressed the necessity to ensure, from the foreign political point of view, Yugoslavia's future economic order—for which ideas of European economic policies and business practices will also be a guideline—in order to build additional confidence for long-term investments by foreign countries.

Thus, the president, who is only 39 years old, sticks to the public statements he made on Europe in the election campaign. In this context, Drnovsek mentioned three points of the European initiative already adopted by the Presidency.

1. Yugoslavia wants to establish a maximum of ties with the EC, and further consolidate its status in new negotiations; then it wants to adopt EC norms and press for the lifting of trade barriers step-by-step in order to gradually bring about Yugoslavia's economic integration into the EC. "However, we do not want to formally apply for membership," the head of state specified, "because this is unrealistic at present."

2. In addition, Yugoslavia will increase its cooperation with EFTA countries because they are also preparing for integration into the EC in their own way.

3. Yugoslavia will sign the European Human Rights Convention and thus move toward full membership in the Council of Europe; at present, it is an observer without the right to vote. "In our opinion, full membership of the Council of Europe is a proof of a country's social, political, and cultural affiliation with Europe."

One of the most important prerequisites for the further development of democracy is the recovery of the economy, the president said. "However, our economic situation is more than complicated. Since 1981 our gross national product has not grown. Inflation (264.3 percent from January to June 1989, and 784.8 percent from June 1988 to June 1989) has become a destructive force. The first successes of the government of Premier Markovic in deregulating the economy and changing the system of economic policy could be frustrated if inflation were to increase like before."

Even though the president thinks that it is time to again give priority to fighting inflation directly, he backs the reform policy of Premier Markovic, who has categorically refused to fight inflation as unsuccessfully as his predecessors by means of "anti-inflation" programs. Drnovsek substantiates his attitude: "We have to come to the end of our downward trend and come up with a first success as soon as possible. After that, things will improve faster. Unlike in Poland or the Soviet Union, our enterprises have been in the market for more than 30 years. They have learned to assert their market position somehow, and also to fight against the state."

"A justified hope for a reversion of the negative tendencies in the economy would help us to discuss the initiative to change the Constitution and to adapt it to political reality, which was put forward by the State Presidency, in a tolerant atmosphere," Drnovsek said. The material basis which is decreasing every year—while at the same time the Yugoslav population's demands for a higher standard of living are increasing—is one of the main reasons for the irrational situation in Yugoslavia, which is characterized by escalating nationalism and violent clashes between the republics.

The constitutional change announced by President Drnovsek will probably take 2 or even 3 years. It must transform Yugoslavia into a modern state which is to respect human rights as defined in Europe, permit independent courts, and legalize political pluralism, also political parties.

The Yugoslav head of state did not want to predict the result of this constitutional work. However, he regards some parts of the paper recently submitted to the State Presidency and the presidencies of the republics by Slobodan Milosevic, president of the Republic of Serbia, as a "positive surprise," because Serbia is also proposing the definition of the citizens' basic rights in the new constitution, as Slovenia did before. However, the president did not attempt to conceal the fact that "Milosevic's proposals" for a "pan-Yugoslav synthesis" raise "difficult questions" for the republics' future cooperation with the federation, the definition of its functions within the state, and the work of the Federal Parliament, because "on account of different developments and interests, the individual republics also want to give priority to different things at the head of the Yugoslav state."

TANJUG Reports Interview

LD0508091789 Belgrade TANJUG Domestic Service in Serbo-Croatian 1654 GMT 4 Aug 89

[Text] Belgrade, 4 Aug (TANJUG)—"Yugoslavia wants to get as close to the European Community as possible"—President of the SFRY Presidency Janez Drnovsek said in an interview to 'HANDELSBLATT', a magazine of the German business community. He added that for the time being our country has no intention of formally applying to join the EC.

In its edition today the 'HANDELSBLATT' magazine carries, on its prominent pages, the talk which this magazine's journalist, Georg von Hibenet, had with Drnovsek in Ljubljana. We are presenting the text of this talk in its entirety just as it was published by the West German magazine:

"Yugoslavia wants to get as close to the European Community as possible and to improve its status within the framework of the EC. The president of Yugoslavia, Slovene Janez Drnovsek, in his talks with the journalist of 'HANDELSBLATT', rejected a possibility of applying for full membership in the EC, since there are no conditions for such a demand to be met. However, this country wants to consolidate the integrational process in the EFTA [European Free Trade Association] and aspires to full membership in the Council of Europe, Von Hibenet writes in the opening lines of the interview with the president of the SFRY Presidency.

"Yugoslavia will soon cease to be a foreign country for European investors because Yugoslav enterprises, banks, and other commercial institutions will also be legally entitled to carry out their activities within the framework of norms to which world economy adheres," Drnovsek told 'HANDELSBLATT'S journalist, presenting in this way the initiatives of the Yugoslav State Presidency for getting closer to Europe. The president stressed the necessity of Yugoslavia gaining an additional amount of trust in long-term investments from abroad through the sphere of foreign affairs, ie, in the framework of European economic and political attitudes and the economic system which is focused on business practices.

In this way the president of Yugoslavia, who is only 39, reaffirms his attitudes toward Europe, which he was publicly expressing during the electoral campaign. In this context Drnovsek cites three initiatives for getting closer to Europe on which the State Presidency has already made its decision.

Yugoslavia wants to get as close to the European Community as possible and to further consolidate, in the framework of new negotiations, its status. It also intends to adopt the norms which are adhered to in the EC, and it will insist that trade barriers are gradually removed, something that would enable Yugoslavia to gradually economically join the EC.

"However, we do not intend to apply formally for joining," the head of the Yugoslav state makes it clear, "since at the present juncture this is unrealistic".

Apart from this Yugoslavia will increase its cooperation with the EFTA countries because they too are making their own preparations for integration with the EC.

Yugoslavia will sign the European Declaration of Human Rights, something that will also in this way pave the way toward full membership in the Council of Europe. For the time being Yugoslavia has the status of an observer without the right to vote.

"Full membership in the Council of Europe is, in our opinion, a kind of certificate that a country is belonging socially, politically, and culturally to Europe," Drnovsek says.

One of the most important conditions for the further development of democracy is a revitalization of the economy, Drnovsek Maintains.

But the situation in our economy is extremely complex. Our gross social product has not increased since 1981. Inflation, which amounted to 264.3 percent in the January-June 1989 period and to 784.8 percent from June 1988 to June this year, has soared to destructive proportions. If inflation continues to rage the way it has been doing, the first successes of Premier Markovic's government in deregulating the economy and changing the economic and political system might be obliterated."

Although President Drnovsek maintains that the time has come to give priority to the curbing of inflation, he nevertheless continues to support the policy of Government President Markovic's reforms, who categorically refrains from curbing inflation with "anti-inflationary programs" in the way his predecessors unsuccessfully did. Drnovsek expounds his attitude:

"We must reach the lowest point in our downhill journey as soon as possible and demonstrate a first success. Afterward we will move faster uphill. Our enterprises, unlike Poland and the Soviet Union, have been in the market for over 30 years. They have learned how to compete in the market and to fight the state, regardless of whether they do this badly or well.

The realistic hope that the negative trends in the economy will stop would help us to discuss the initiatives of the state presidency for changes to the constitution in a more tolerant atmosphere and to adjust them to political realities," Drnovsek maintains. The material resources, which have been shrinking from year to year, while the Yugoslav population's demands for higher standards of living have been on the increase, is one of the main reasons behind the irrational situation in Yugoslavia, which is characterized by soaring nationalism and fierce confrontations between the republics, Von Hibenet explains, and adds that "this will probably take 2, perhaps even 3 years". These changes ought to turn Yugoslavia into a modern state which is supposed to respect human rights in the European sense of the word, to tolerate the existence of independent judiciary, and to legally provide for political pluralism and the establishment of political parties, HANDELSBLATT's commentator assesses.

The head of the Yugoslav state did not want to forecast the outcome of work done on the constitution. However, in some parts of the document of Slobodan Milosevic, president of the Republic of Serbia, recently submitted to the state presidency and the presidencies of the republics and provinces, Drnovsek sees "a positive surprise", since it is now Serbia which is proposing, in the same way Slovenia did before, that citizens' basic political rights should be founded on the new constitution. Nonetheless, President Drnovsek is not concealing that "Milosevic's proposals" for "all-Yugoslav synthesis" pose "difficult questions" about future cooperation between the republics and the federation, its definition and functioning in the state, and in the work of the Federal Assembly, since "some of the republics, because of their different development and interests, also want to impose different priorities on the top levels of the Yugoslav state".

More on LCY Central Committee Plenum Session

Polemics Over Nationalism

AU0408164489 Belgrade BORBA in Serbo-Croatian 1 Aug 89 p 7

[Unattributed report on proceedings of first day of 25th session of the Central Committee of the League of Communists of Yugoslavia, held in Belgrade on 30 July: "What Kind of Madness Has Gripped Us"]

[Excerpt] [Passage omitted]

Stating at the beginning of his speech that he had not expected Zdravko Grebo's idea about the plenums of the League of Communists [LC] increasingly becoming real war zones to come true at this session, Nijaz Skenderagic said that it was sad "that at the end of the 20th century Zvonimirs and Tihomirs, Lazars and Sindelics, and others mean more to us than everything that we have built in the last 40 or so years."

What kind of madness has gripped us if we can no longer distinguish between a royalist badge [kokarda] and a traditional Serbian cap, between a five-pointed star and the symbol of the old Serbian coat of arms, and between patriots and nationalists?

How else can one explain all the events and different views of the celebrations at Gazi Mestan and in the Knin region than as nationalist madness, stressed Skenderagic, pointing out that only primitive and obsessive nationalist hatred can cause a group of young Dalmatian people to insult and mistreat visitors from Serbia and cause Serbian nationalists to see danger to the Serbs where there is none, without distinguishing between a royalist badge and a Serbian peasant's hat. Can we look on calmly as democratic processes in the country are exploited for the sinister ideologies of the past, whether they are symbolized by a letter of the alphabet or a royalist badge?

How can we overcome the practice of us speaking about what we want and how much we want, and adopting conclusions which unfortunately just remain on paper while they do what they want however they want to do it, wondered Skenderagic, specifying that this "they" could apply to "certain leaderships and their leaders, but also to many of us sitting in this hall."

One of the latest trends recently, stressed Skendaragic, has been to divide up Yugoslavia into various maps. He believes that they are drawn up on the rostrums of different forums in this country while their ideological creators are those leaders and leaderships who are happy with this creation of different kinds of newly-invented affairs and cases in order to distract the workers' attention from unpleasant daily life.

Instead of us extinguishing the fires of nationalism, some leaders and leaderships are increasingly and more frequently stoking them, inflaming them, and setting them ablaze, and therefore those who are primarily to blame for everything that is happening to us today are the leaderships, stressed Skenderagic. They cannot deny their joint responsibility for the situation we are in. Both those leaders who are applauded in the street and those whose heads are being sought owe a joint answer to the question of why Yugoslavia is at this moment on the verge of an uncontrolled political explosion which could have unpredictable consequences.

Thus, the question is justifiably asked; are the leaderships prepared to bear the responsibility for the objective consequences of the policy that they are conducting and that they are perhaps directing in such a way that even orthodox nationalists can be found in it? Can we speak about orchestrated nationalism, wondered Skenderagic, noting that the sponsorship of certain politicians in the present unprecedented wave of nationalism is visible even to the naked eye.

Skenderagic expressed the fear that in the conditions of a strong nationalist thrust, every concrete step in economic reform will acquire national dimensions.

Dealing, finally, with attacks on Tito, Skenderagic stated that he was most bothered by the fact that many revolutionaries are keeping silent about these perfidious attacks and that a creative reply to them has not come from the LC, and particularly from those individuals and organizations which have in the past built up their political image on their alleged defense of Tito's work.

Immediately taking the floor to reply to Skendaragic' speech, Nikola Jovanovic said:

"Since Comrade Skenderagic has insisted several times on respect.... we Serbs also cannot renounce Lazar, or Obilic, or Gazi Mestan. If he insists on respect, then it is only polite for Comrade Skenderagic to respect this Lazar, this Obilic, this Gazi Mestan, and this battle of Kosovo. I do not give him the right to insult people in such an exceptionally crude fashion, people who are an example of how to defend freedom and dignity."

Petar Skundric reproached Skendaragic for many things and because, among other things, "at the end he finished with the troublemakers in this hall." Appealing for dignity to be respected "if not of man then of this forum, which is still a forum nonetheless," Skundric continued: "I think that we cannot continue these debates and these discussions in this way. If he is not going to respect the act of self-sacrifice for freedom, which has been an example to generations, then he must respect the LC of Yugoslavia."

Veljko Stojiljkovic was also insulted by Skenderagic's speech. He went onto the rostrum and stressed:

"Skenderagic calls for nationalist passions and divisions not to be inflamed, but he said that Chetnik royalist badges have appeared and that someone is tolerating them. I have not seen these Chetnik royalist badges. Let Skenderagic prove their existence and then let those Communists be called to account who did not take legal measures against them when they saw them. The Chetnik royalist badges are a symbol of something that is treacherous. To allege that they exist has a counterproductive effect. Who is now the one provoking the nationalist disturbances that Comrade Dimitrovic rightly spoke about. Mentioning something that is not true causes new occurrences."

When I said that it is horrifying that various personalities from the pasts of certain peoples mean more to us today, I did not want to insult anybody, answered Nijaz Skenderagic. I have not denigrated anyone. I said and thought that the traditions of every people should be respected and nurtured, but not one single one should be misused. As well as this, one should also respect our socialist revolutionary traditions and there are several facts to prove that we have been abandoning them in recent years, starting with the impudent attacks against the personality, work, and name of Comrade Tito. We now have the events in Knin and those in Dalmatia. There have been similar ones in all parts of our homeland but we have not been sufficiently energetic in preventing this, nor do we have uniform criteria everywhere in the struggle against nationalism, particularly among our own people. He stressed that the aforementioned "characteristics of the past" are bad, but only if they irritate other people and not if they are just royalist badges.

The retorts to Nijaz Skenderagic did not stop here. Ljubomir Radovic asked to speak and asked the Central Committee members to stop these discussions which do not contribute to the formulation of constructive stands for the congress. I did not say what was said relating to troublemakers, but I am saying that there are some people who have strayed into this Central Committee. We should really think about whether all of us should go to the congress. I propose that I myself be considered within the framework of this question. I am being criticized at the grass roots for some other things, and now I would like these to be discussed but not in this way.

Comrade Skenderagic again says that he did not intend to insult anyone, said Tomislav Radovic. So he more or less said "we have had enough of Lazars, Obilics, Zvonimirs," and "Gazi Mestans, celebrations in Knin" and so on, as well as, by extension, Chetnik royalist badges. This is nothing but a serious insult to the celebrations in Knin and in Gazi Mestan, this is an insult to a people and to the history not only of the Serbian people, but also of all Yugoslav peoples. Mentioning all these names is part of this context. In my opinion, the LC should have its own stand regarding these ways of interpreting these important matters. This "we have had enough of these Lazars" will not do, because it gives the impression that we are in the market place and not in the Central Committee where we are speaking about interethnic relations but insulting the dignity of peoples and nationalities. This is not only unacceptable but should be condemned.

At that moment, these polemics were interrupted by the chairman Ivica Racan because time had run out for the debate. He stressed that he did not suggest more discussion on Tihomir and Tihomirs because there was more urgent work to do. Then the decision was made to begin early the next day in order not to continue into a third day.

Serbians 'Dissatisfied' With Results

LD0708103589 Ljubljana Domestic Service in Slovene 2000 GMT 2 Aug 89

[Text] There is no satisfaction in Serbia over the course and results of the 25th session of the League of Communists of Yugoslavia Central Committee [LCY] which was dedicated to interethnic relations. In a number of places in Serbia, this dissatisfaction has evolved into letters of protests addressed to the LCY Central Committee and the Serbian LC Central Committee. Dusan Dragosavac's speech is being particularly condemned, as are those by the introductory speaker, Ivica Racan, and participants in the discussion Muhamed Abadzic and Nijaz Skenderagic. In a great number of party organizations in Serbia, the conviction prevails that the 25th session has in fact complicated the work of preparing the 14th extraordinary party congress in many respects.

It is also claimed that Ivica Racan's introductory address actually stimulated some members of the Central Committee to be even more nationalistic and arrive at the conclusions that Serbian nationalism is the essential cause of interethnic problems in Yugoslavia. In some quarters it was even proposed that Dr Dusan Dragosavac, and of course all other speakers who did not think and speak in the manner supported by the Serbian communists, be relieved of their Central Committee membership.

Suvar Defends Tito, Speaks on Constitution

LD0608214689 Belgrade TANJUG in English 2010 GMT 6 Aug 89

[Text] Sinj, August 6 (TANJUG)—Member of the Yugoslav Presidency Stipe Suvar rose today to the defence of the late president Tito, stressing that even now, ten years after his death, Tito stood as symbol of Yugoslavia as a socialist federative community, and as a self-management, independent and non-aligned country, and that he would continue to be its symbol in the future.

Speaking at the traditional alka (tilting at the ring) event in Sinj, on the Yugoslav Adriatic Coast, Suvar said that unfortunately many people were today intent on branding Tito and pushing him into oblivion, ruthlessly attacking all the achievements of the popular liberation struggle (1941-1945) and of socialism in Yugoslavia.

Pointing out that such a scenario by anti-Titoists would not gain ground among the country's youth and popular masses, Suvar said that even a decade after his death Tito still united Yugoslavs more than they were [words indistinct] disunited by "various temporary leaders of our natiocracies." [as received]

Suvar said that work on the country's new constitution had to be speeded up and that it had to express the legitimate interests of all in Yugoslavia. He added that

during the drafting of the constitution no solutions "will be enforced from above and no one will be able to dictate their own views and interests."

Yugoslavia's new constitution cannot be a constitution of centralism and unitarianism, but it must enable the Yugoslav Federation to function rationally and efficiently, it must express the interests of the majority in all our nations—by way of the agreement of all our republics, Suvar emphasized.

He said that Yugoslavia had to undergo far more integration and to function as a modern federation in a system which would guarantee economic freedom in an integrated market and cultural and political equality of the country's nations and nationalities.

In his view, this is a prerequisite for the suppression of nationalism, including Albanian nationalism in the province of Kosovo, which is threatening the country's territorial integrity.

Montenegro LC Addresses Economic Problems

LD0408204889 Belgrade TANJUG in English 1840 GMT 4 Aug 89

[Text] [Passage indistinct including dateline]—The economic and social situation in Montenegro is alarming, the economy is totally exhausted, and the population of this Yugoslav republic has been brought to the brink of official misery, says an announcement by the republican League of Communists [LC] Central Committee issued here today.

The highest party organ of this undeveloped Yugoslav republic demands in its extremely sharply-toned message that Montenegro's accumulated social and economic problems be tackled as an integral part of the Yugoslav federation's economic policy.

Montenegro's Communists energetically demand that the federal government take steps for the obligations of the federation to this republic to be settled so as to help its economic and financial consolidation.

Other priority problems are the non-implementation of the already inappropriate tax system, the non-existence of a complete record of citizens' movable and real estate property, faults by state inspections, fraudulent and illegal dealings in the housing policy, the announcement [word indistinct]

The existing constitutions of Yugoslavia and the Republic of Montenegro, in the view of the Republic's Communists are a block to social reforms in Yugoslavia. To this end, they are joining calls which are often being heard in the Republic of Serbia and demanding that the nation's and Republic's highest normative acts be urgently changed.

Pristina Assembly Notes Muslim, Croat Nationalism

AU0508184289 Belgrade Domestic Service in Serbo-Croatian 1700 GMT 5 Aug 89

[Text] The Executive Council of the Pristina Communal Assembly has discussed a report by the Security Center on the number of criminal acts in the first half of the year. The council noted that criminal acts, especially political, have increased and have found new forms of expression.

In addition to Albanian and Serbian nationalism, Pristina for the first time registered occurrences of Muslim and Croatian nationalism, and of Islamic fundamentalism.

In the first 6 months, 42 slogans were written and 163 leaflets were found, and 157 persons publicly made statements from the position of Albanian nationalism and separatism. This was a considerable increase in comparison with last year, even discounting the mass protests and demonstrations.

Thirty slogans and 7 public statements were registered on the positions of Serbian nationalism. Muslim nationalists and Islamic fundamentalists produced 18 leaflets, and 2 leaflets on the positions of Croatian nationalism were found.

Unauthorized Meeting Held in Vladicin Han

LD0408223889 Belgrade TANJUG Domestic Service in Serbo-Croatian 1647 GMT 4 Aug 89

[Text] Vranje, 4 Aug (TANJUG)—A meeting entitled "For the State's Rule of Law," was held today in Vladicin Han. The Secretariat for Internal Affairs had not consented to it because the (?600)-member organizing committee sought this consent only yesterday, whereas it should have done this at least 48 hours earlier.

In the presence of several hundred people, whose number rapidly began to diminish, the meeting was addressed this afternoon by the organizing committee members' lawyer, Vujica Brackovic, a worker of the Erozija water management and civil engineering work organization in Vladicin Han, and Branko Simonovic, a journalism graduate, who sought the replacement of the municipal leadership. Those present were also addressed by Stanisa Sasvic, chairman of the Socialist Alliance of Working People municipal conference, who said that all the demands would be discussed in the institutions of the system. The meeting passed in an orderly manner and without incident.

Serbian Orthodox Church Publishes Program

LD0508062289 Belgrade TANJUG in English 2340 GMT 4 Aug 89

[Text] Belgrade, Aug 5 (TANJUG)—The church should be given access to the mainstream of life and its activity should no longer be limited only to the churchyard and

the graveyard, it is set out in "the proposal of the Serbian church-national programme" recently published in the Sabac paper GLAS CRKVE (Voice of the Church), one of the leading publications of he Serbian Orthodox Church.

The Serbian Church, or at least one of its influential currents, came out with the proposal for two obvious reasons—a major improvement in relations between the Serbian Church and state, and the current political-economic crisis in the country.

The two underlying reasons are explicitely stated in the text of "the proposal", whose authors ask whether a market economy and political pluralism will be established and point out the necessity of changing the 1974 federal constitution.

By the existing constitution and legislation, the socialist state has indeed sufficiently protected itself from any church interference in its affairs, leaving, at the same time, much space for its own interference in church affairs, the Serbian Church says. "It is therefore necessary to repeal the obsolete law on the legal position of religious communities".

The second part of the church-national programme urges the Serbian political leadership to "return to the church the role which has been unjustifiably and forcibly taken away from it...because there is no strong state without a strong church".

The authors of the programme see the church's contribution to the state's effort for resolving the economic and social crisis in that the church would activate awareness and strengthen responsibility of the working man to view work as his moral obligation and debt to the state.

The church has no aspirations to a monopoly of the truth. It is "prepared to respect everybody's freedom, but it also requires unconditional respect for its own freedom".

The ambitious "proposal" concludes with an appeal which may cause negative reactions in other parts of Yugoslavia, calling on the Serbian people wherever they live to come together. In multi-national and multi-confessional Yugoslavia, such appeals always arouse suspicion.

The position of the believers and religious communities in Yugoslavia is regulated by the Constitution. The law guarantees full freedom of confession, implying the freedom of the church. The state and the church are separated, with the religious communities—including the Serbian Orthodox Church—enjoying the status of civil-legal persons.

From its very origin, the Serbian Orthodox Church has been markedly national in character, retaining this quality until the present day. It has encountered difficulties with the new authorities, especially immediately after World War Two. In the assessment of the Serbian Church itself, its relations with the state have considerably improved in the past two years.